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Street Railway Accountir

A Manual of Operating Practice for Electric Railways

By

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PREFACE

The developments and changes in street railway accounting during recent years have been many and varied. Every street railway company has had the problem of devising a system of accounting which should conform in principle to the stipulations of the public service bodies and the methods approved by good roads, and which should also fit in with the requirements of local conditions.

The promulgation by the Interstate Commerce Commission of its System of Uniform Accounts for Electric Railways has helped to standardize street railway accounting, so that it now appears probable that changes will be less marked in the future. The Commission's system, however, deals merely with the classification of accounts, giving no description of the procedure required in applying the classification to actual conditions. The working methods followed in different companies, even where local conditions are similar, still show wide diversity. A book of street railway accounting practice should be useful alike for purposes of suggestion and of comparison.

The present volume is not a discussion of the theory of street railway accounting. Nor yet is it an encyclopedia of the various methods and plans of organizations throughout the country. Perhaps conditions are not yet ready for a book of either sort; the materials are not yet available. This work is rather an outline of the working methods developed and actually used by the accounting departments of certain large companies, which are operated in accordance with the Interstate Commerce Commission regulations. It is hoped that the methods here described may be of interest not only to accountants, but also to students of the industry who desire a body of practical data based on long experience in the business.

To treat fully all phases of street railway accounting, even as thus circumscribed, would be impossible within the limits of a single book. Attention is centered, accordingly, upon those points which have been found in the writer's experience to be most important, most peculiar to the business, or most troublesome in actual practice.

In working out a system of accounts for any company, local conditions must always be taken into consideration. The industry itself, moreover, is always developing, and in order to keep up with new situations accounting systems must be remodeled from time to time. It is evident that the methods here outlined cannot be applied indiscriminately everywhere. Inasmuch, however, as the procedure here described represents to a large degree a working combination of methods found useful on widely differing properties, many points therein are of general application.

The author well knows what it is to struggle along without guide or assistance in devising a system of accounts for a street railway company of complex organization. Perhaps the appearance of this book will lead to further development and standardizing of the subject. If so, the time spent in the preparation of the present volume will be amply rewarded.

IRVILLE AUGUSTUS MAY.

New Haven, Conn.,
September 15, 1917.

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Street Railway Accounting

Part I—The Organization of the Accounting Department

CHAPTER I

THE COMPANY

Peculiarities of Street Railway Accounting

In large street railway companies of today the accounting department is almost the only agency, except the president's office, which touches all branches of the organization. Its duty is not only to "keep the books" in the old sense, but to record accurately and completely the current history of the business, and through clear interpretation enable the management to draw right inferences as to future policy.

The primary function of the department is to supervise those parts of the business machine which have to do with receipts and expenditures. From analyzing in its periodical statements, however, the immediate financial results of company activities, it has been led into analysis of the methods and processes which produced those results and to the study of company activities only indirectly connected with the receipt and disbursement of cash.

The accounting department of a large modern business is a very different thing from the old-time "bench of book-keepers." In the responsibility and variety of its work it

2 ORGANIZATION OF ACCOUNTING DEPARTMENT

ranked among the most important branches of the business. The bookkeeper of the past was a poorly paid and unappreciated individual; the modern accountant is regarded by modern business officials as an important and highly valued part of the management.

In some ways the accounting work of a street railway differs little from that of any large business concern, but in many ways it is more elaborate and complete. It is generally recognized throughout the country as being the last word in modern accounting, and certainly the methods are more uniform than in many other kinds of business enterprises. There are some features, however, peculiar to the street railway business; the following pages will deal mainly with those features which are individual and characteristic.

The street railway business began with the transportation of passengers for short distances, generally within the limits of a single town, for a small fare which was paid usually in cash to conductors. In recent years, since the use of electric power, many of these single town systems have been linked together by interurban lines. It is not rare today for one company to own, or operate through leases, a large number of connected lines over a wide territory. These systems often cross state lines, in which case accounting must be done in accordance with the requirements of the Interstate Commerce Commission.

Interstate Commerce Commission Methods

The methods outlined in this book are promulgated with the idea of conforming entirely to the Interstate Commerce Commission's "Uniform System of Accounts for Electric Railways" and many references are made to this system throughout the book. At the same time the writer has kept in mind the small street railway systems lying entirely within one state where short cuts could be made by using fewer

accounts and by consolidating the work in the accountant's office, while at the same time maintaining a good complete modern system of street railway records.

Express and Freight Service

Recent years, moreover, have developed on many lines an express and freight service, more or less differentiated from the passenger service; in some cases it has grown to quite large proportions, and this has added complications to the accountant's work. Chapters dealing with this express and freight service are, therefore, included in this book.

Accounting for Cash Fares

Certain characteristic features of the business which have remained, generally speaking, through all changes, directly and largely affect the organization and detail procedure of the accounting department of street railway companies.

In the first place the fare, or charge to the customer, is still reckoned in small units of five cents each on the majority of roads. Some roads now, like steam roads, require through tickets, bought in advance from station agents, but in most cases the fare for a long trip is still paid to the conductor in a series of nickels, collected at zone limits. Since the conductors usually collect not tickets, as with steam roads, but cash, the most important task of the accounting department is the close checking up of passenger receipts through direct supervision, so to speak, of every conductor.

Departmental and Divisional Organization

In the second place the structure of a street railway company presents a peculiar union of departmental and divisional organization, with the divisions more important, comparatively speaking, than with steam roads. "With the beginning of electric transportation," said Mr. R. R. Bruster, of the

4 ORGANIZATION OF ACCOUNTING DEPARTMENT

Electric Railway Journal, in an address before the Central Electric Railway Association, "the general manager as operating head was undoubtedly held responsible for the work of the office as well as the operation of the road, thus exhibiting the divisional type in its pure form for a one-division line. As the size of the company increased, it naturally followed that the manager relieved himself of some of his supervision over details, though still retaining his control over the specialized subdivisions of his former activity. Eventually, however, the divisional powers of the manager came in many cases to concern only the divisions or groups of so-called departments relating to the operation and maintenance of the property, for the accounting department gradually joined the financial or treasury department and sometimes others as a form of specialized work outside the immediate control of the general manager.

"The structure of electric railway operation today, either for the single company or for those under holding company control, distinctly warrants divisional control over the operating side of the properties, for it is evident that every approach to a general departmental system for most electric railways would seriously weaken the general manager without strengthening the president or executive head. On the other hand, on the non-operating side, it is highly essential that there be a departmental development along functional lines so as to reap the greatest benefit from specialized skill."

That is, the street railway began as a single division; developed departments in order to get the "greatest benefit from specialized skill"; then, as the roads grew larger, again emphasized the division principle. When to the one city system, the systems of other towns, with the lines connecting them, were added, other divisions were constituted, each with its own division manager who exercised considerable authority.

This peculiarity of structure also affects the work of the accounting department. The records and reports with which the accounting department works are more distinctly division records, than are those of steam roads.

Departments of a Street Railway Company

The departmental organization of a street railway company follows the usual corporate plan. The immediate source of authority is the board of directors, elected by the stockholders. The directors elect the officers of the company—the president, who is the active head of the organization, the secretary, the treasurer, and a comptroller or auditor who is the head of the accounting department. In addition, there will be a number of other officers, appointed usually by the president, each in charge of a distinct line of work.

The accounting system described in this book presupposes the following group of department heads reporting to the president: secretary, treasurer, comptroller, general manager, general traffic manager, purchasing agent, stores keeper, engineer in charge of power and equipment, engineer in charge of construction, counsel. The departmental organization may be conveniently represented in the chart on page 6.

Duties of Department Heads

The secretary is chiefly an officer of the board of directors, and has little connection with the operation of the road.

The treasurer, as the custodian of all funds and through whom all disbursements are made according to properly approved vouchers, has, of course, a close relation with the operation of the road.

The general manager's work is wholly operative. He has charge of the transportation department and is responsible for the operation of cars, power houses, and shops, and for the maintenance of the property; he consults with the heads of

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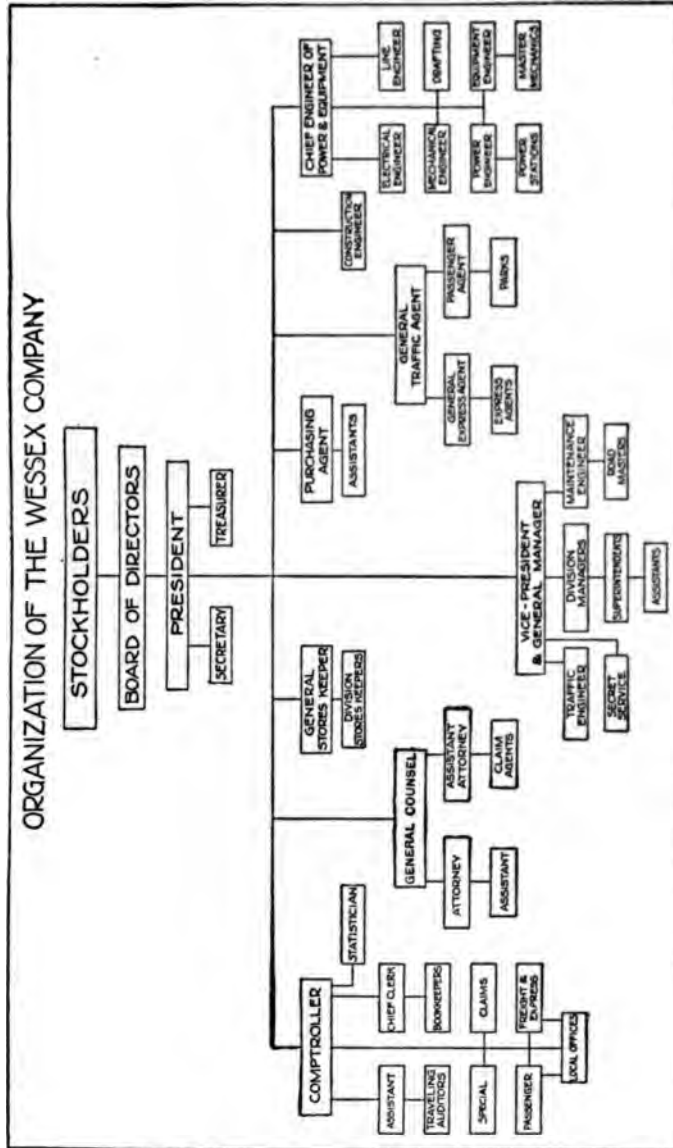


Chart I. Organization of The Wessex Company.

other departments, in particular with the engineers and the general traffic agent with regard to matters in which they are concerned. While the title varies with different roads, an officer with such general supervising functions is found on practically all street railways.

The general traffic agent is responsible for obtaining business for the passenger service and for the express and freight service; has charge of advertising, of amusement parks, etc., and has other minor supervising duties.

The engineer in charge of power and equipment has immediate charge of the operation and maintenance of power houses, lines, and equipment in consultation with the general manager.

The purchasing agent has charge of the purchase of all material and supplies on properly approved requisitions.

The stores keeper, with his subordinates, has immediate charge of all material and supplies, issuing them on requisitions.

The counsel has charge of the legal affairs of the company touching the work of operation especially through the matter of damage claims.

The construction engineer has the special duty of preparing or approving plans and specifications for additions and betterments to the property; his work is less immediately connected with the operation of the road than is that of the engineer in charge of power and equipment.

The comptroller, as the head of the accounting department, touches in various ways the work of all the other departments.

Theoretically the department heads are coordinate, report to the president and meet with him at times as a cabinet, but are mutually independent. Theoretically also, most of the department organizations extend down from the main office to subordinate officials and employees in the various divisions,

8 ORGANIZATION OF ACCOUNTING DEPARTMENT

each of whom is under the supervision of the head of his particular department.

In actual practice, however, any street railway company will show more or less overlapping and crossing of department lines. In the system here sketched such overlapping shows in the work of the two engineering departments and of the general manager, and in the work of the general manager and the general traffic agent. It shows to a remarkable degree in the case of the comptroller, and to a great extent in the organization of the divisions.

Divisional Organization

A division is a geographical operating unit of the road. It may take in the lines of a single city with its environs, or those of a group of smaller towns with the country lines which connect them. The actual business of transportation is done mainly through the division offices; the main office plans and directs, and the division offices report back what is done.

To a certain extent the division office reproduces the departmental organization of the company. The work of the purchasing agent, the treasurer, and the construction engineer, is centralized in the main office; but the operating department, the stores department, the legal department, and the accounting department have permanent representatives in the divisions. The traffic department and the power and equipment department work through division officials attached to the operating department and the accounting department. On a small division, moreover, the functions of two or more departments may occasionally be filled by the same official.

Actually, however, the division manager, the representative of the operating department, has a general oversight of all division affairs. All division officials are responsible to the heads of their respective departments for their particular duties, and at the same time to the division manager for what

may be called team-play. This blend of departmental and divisional organization, which is practically universal with all roads large enough to necessitate divisions, looks more complicated, perhaps, than it is. The double responsibility is difficult to describe or to represent, for example in chart form, but it works smoothly enough in practice. It affects very definitely, however, all phases of the work of the accounting department.

A feature of the accounting work in any business is that the materials with which it works, the records and papers, are nearly all originated by employees of other departments who are concerned primarily with the operating aspect of their work and only secondarily with its accounting aspect, and who must be induced to observe accurate and substantially uniform accounting methods. The successful administration of any accounting department depends largely therefore on the cooperation of other departments.

With the street railway business this cooperation is very important. Nearly all of the company's revenue comes from cash fares paid to a large number of agents or conductors and turned in by them usually once a day, a very different situation, for instance, from that of a store where money can be turned in at once to some kind of receiving system and go direct to the cashier. A very large part of street railway accounting, therefore, has to do with an elaborate system of checking the cash collections made daily by individual conductors.

The situation is further complicated by the divisional organization of the business. The chance of confusion and error is increased largely because the detail records, both of fare receipts and of expenses, for power, labor, and maintenance of the equipment, originate on the divisions, with wide difference, in local conditions and with varying personalities among officials.

Street Railway Forms

Two characteristic features of the work of the accounting department result from the situation just described. The first is the large use of forms or impersonal blanks for written report, used, of course, in many branches of business but rarely to such an extent. The forms required in street railway accounting fall into three groups: (1) brief and fragmentary records by subordinate employees regarding their daily work, taking the place of the informal conference reports of most other lines of business—an example is the “day card” turned in by each conductor; (2) summaries of the preceding records, and also record of office work, by local supervising officials; (3) authoritative digests and interpretations of all these records and reports prepared in the comptroller’s office.

The large use of forms of the first two varieties is especially significant. They constitute the original statement of fact regarding essential parts of company business, for example, the conductors’ records of cash and tickets received daily and the bills of lading and way-bills issued by express agents. The forms of this kind have to be filled out by a large number of employees, many of whom are inexperienced. Conductors, for example, constitute more than a fourth of the total number of employees on a street railway, and the forms filled out by them are particularly important. From thirty to fifty per cent. of the conductors are new to the service each year. Designing these forms is a most important part of the work of the comptroller’s office. They must be definite and complete and at the same time easily intelligible and handy in make-up.

This reliance upon forms increases correspondingly the work of the accounting officials; there is a mass of detail checking and filing to be done daily. But it minimizes error and makes exact records possible.

Large Amount of Expert Supervision Needed

The second characteristic feature of street railway accounting is the relatively large number of persons employed in supervising and inspecting the work of subordinate employees. Thus the reports of the conductors are constantly and minutely checked by the division officials, and checked again to some extent, together with the reports of the division officers themselves, in the main office of the comptroller. The division offices and the express stations are periodically examined, moreover, by a force of traveling auditors attached to the comptroller's office. Most street railways maintain in addition a secret service force to supplement these regular agencies. Finally, with regard to passenger receipts, it is a point worth mentioning that the company may depend to some extent upon its honest patrons to see that dishonest ones pay their fares. Many passengers take an interest in seeing whether the conductor rings up all the fares, and if he does not some of them will report the negligence to the company. It may be said also that the use of the prepayment fare-box has helped very considerably.

CHAPTER II

THE ACCOUNTING DEPARTMENT

Two Branches of the Accounting Department's Work

In scope the work of the accounting department falls into two categories which might be termed "outside" and "inside." By the "inside" work is meant here the processes of recording, digesting, and interpreting, within the comptroller's office, the various reports which come up from various departments of the company's activity. By "outside" work is meant the supervision of accounting processes connected with making the original records, which are mainly in the hands of employees in other departments. Officials of the road who have charge of operation, supplies, construction, etc., require certain things to be done. In so far as any of these actions involve the receipt or expenditure of money the accounting department steps in and directs the manner in which suitable records of the transaction shall be kept, and to such extent as may be necessary supervises the work to make sure that the record is duly made.

In both branches of its activity the practice of the best street railway companies today is to give the accounting department entire independence of action. This department records the history of the company and summarizes the results of company activities. If it is to have beneficial effect upon the activities of the company the data and statistics it compiles must be correct, complete, and impartial. No restraint, no influence to make improper entries in the books of record should ever be brought to bear on the accounting official. This official should be entirely competent, absolutely honest, and fearless, and thus be in a position to write the

history of the company, so to speak, just as it is from day to day. Under these circumstances the public, the stockholders, the directors, the president, and others interested are assured of the truth, the whole truth, and nothing but the truth.

"Outside" Supervision

The chief lines of the "outside" supervising activity of the accounting department are the following:

1. The Passenger Service. This, the most important part of the company business, takes a correspondingly large share of the attention of the accounting department, in connection with the work of conductors and other representatives of the operating and traffic departments.

2. The Express and Freight Service. This new branch of the business, growing up in a sense independently of the original organization, has necessitated not only much additional work in checking shipments of goods and in handling claims for damage or loss, but a new development also of the operating and accounting organization, that is to say, the system of express stations which is virtually independent of division lines.

3. The Pay-rolls. Labor is one of the two chief items of expense for a street railway company. The special conditions of employment of conductors and motormen necessitate a great deal of work by the accounting department in checking the preparation of the pay-rolls.

4. Purchasing. 5. Stores. The accounting department has much work in connection with these departments, especially with the stores department, with its many detail processes calling for close supervision by the comptroller's office.

6. Additions and Betterments. The constant renewal and improvement of equipment and other property involves continual record and checking of items of construction work

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in connection with the engineering departments and the operating department.

7. Other Departments. There are a number of accounting processes of more fragmentary nature in connection with the legal department—in the matter of handling damage claims; with the operating department—in connection with the management of supplies of fuel, etc., at power stations; with the treasurer's department; and with the engineering department—in connection both with maintenance of equipment and with construction.

Altogether this "outside" supervising work takes up a very large part of the activity of the accounting department.

"Inside" Work

The "inside" work of recording and digesting the reports which come from other departments is wholly in the hands of the main office of the accounting department. These records of various sorts reach the comptroller's office in more or less fragmentary condition; they must be put into permanent form, must be summarized and digested and interpreted. All this work is extremely important and requires expert and reliable officials. It is what used to be regarded as the peculiar task of the accountant. With a large company today it fills the time of a dozen or more experts attached to the comptroller's staff. The work involves the keeping of the general books; of the detail books, which in any modern business are very numerous; the record and the collection of accounts receivable; the treatment of accounts payable; and finally the preparation of statements summarizing company activities.

This work, however, is less peculiar to the street railway business with respect to methods and handling, than the supervising work in connection with other departments. It does not differ greatly as to method from the general accounting work of other lines of business. To a considerable extent,

moreover, this work has been standardized since the issue by the Interstate Commerce Commission of its System of Uniform Accounts for Electric Railways with its classifications.

Other branches of the inside work, however, are more peculiar to the street railway business or represent new and interesting developments.

The work of the statistician's office in study and interpretation of company activities is partly a further development of work done in connection with statements, partly an analysis of material not before considered by accounting officials.

The system of frequent and searching audits of the division offices, and of certain other departments, by traveling auditors attached to the comptroller's office is a feature peculiar to street railway accounting.

Accounting Department Staff

The staff of the accounting department includes the accounting officials attached to the division offices and those of the main office. On every division there is at least one permanent representative of the department, who has close supervision over the financial part of the passenger service, who acts as paymaster and performs various other duties. On large divisions he may have a large force of assistants; on small divisions he may work alone. In any case he must be a distinctly reliable and competent man. He is responsible to the comptroller for his special duties, and at the same time responsible to the division manager like other division officials.

At each express station, moreover, of which there will be perhaps several within the limits of a division, there is an agent who represents in part the accounting department and in part the operating department.

The local representatives of the department have the duty of collecting the detail records and making a preliminary examination and digest of them for the comptroller's office.

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There is a mass of detail checking of fragmentary records to be gone through with every day in the local office, which must be done both accurately and quickly and which cannot be allowed to get into arrears.

The main office rechecks authoritatively the original records forwarded from divisions and express stations and also the digests and reports from lower offices. The main office has, of course, the further duty to which all of the accounting processes thus far noted are preliminary, that of coordinating all these local reports to give a unified view of the work of the road as a whole.

Advantages and Disadvantages of Divisional Organization

The disadvantages of the divisional organization with regard to the work of the accounting department are obvious. A relatively larger staff is needed, and a larger number of highly efficient officials, than if the work were concentrated in a single office, under the immediate supervision of the comptroller. The chances of error, and even delay, are greater.

There are, it is true, some compensations. The divisional organization gives a certain degree of flexibility to the system, which very likely saves friction. It makes possible a first check of the original records by persons familiar with local and personal conditions. It frees the staff of the comptroller's office from the tedious preliminary checking of reports. On the other hand, if the work could be concentrated in a single office it could be done more quickly and more cheaply, because modern machine methods could be used. With division offices of varying size machine methods cannot be used so well. In small offices there would not be work enough to warrant the purchase of the Hollerith machine and similar devices.

The writer is heartily in favor of concentration, of having as much of the accounting work done in one office as possible. The accounting methods outlined in the book, however, are

to a great extent based upon the division plan, because it is easier to condense and combine systems than it is to enlarge them. Accounting methods devised for a large road with many divisions could be adapted readily enough to a small road by trimming and omissions.

The Main Office

The following chart will give an idea of the organization of the main office of the accounting department and the distribution of work among its officials.

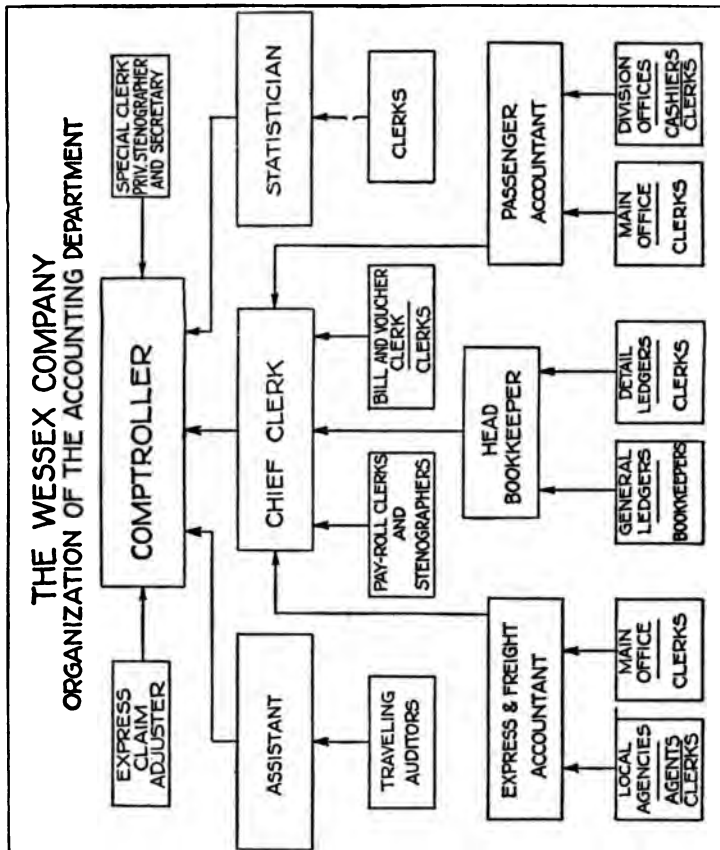


Chart II. Organization of Accounting Department.

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Duties of the Comptroller

No rule is followed throughout the country as to the title of the chief accounting officer. He is called variously vice-president in charge of accounts, comptroller, general auditor, or auditor. In this book he is called comptroller. There are, of course, cases where there are two such officers, for instance, a vice-president in charge of accounts and finances, with an auditor as an assistant or in immediate charge of the books and records. There are also cases where the one officer looks after both the finances and the accounts, and still others where the general auditor or comptroller has charge of the books and accounts and the president looks out for the finances in addition to his other duties. Local conditions govern somewhat the various duties assigned to each officer of any company. This is true all down the line and the following scheme is given merely as a sample of the distribution of duties assigned to members of the comptroller's staff.

The comptroller is responsible for the conduct of the affairs of the accounting department and all accounting heads receive instructions from and report to him. He signs all governmental reports and all statements and important letters except such work as he specifically designates to some department head. He *signs all vouchers for payment*, bills, and journal entries, except those delegated to an assistant. All questions of additions to the office force or increases in pay are referred to him.

Before outlining the duties of the comptroller's staff, mention should be made of an important duty of the comptroller, viz., the time spent in planning and laying out the work, which is a large part of good management. The case is the same, of course, as with all department heads and supervising officers. To plan the work is one thing. To see that the plans are carried out is another thing. The head of any department of the road, unless it is a very small department,

must have time to plan the work for his assistant or others; he must make time to think, not alone of his own department, but of all other departments in connection with his own. He must make sure that he has planned his work so that it can be done by others and he must see that such work is properly carried out. Some officials and heads of departments forget sometimes that the best way to handle their own work is not to become so buried in detail that they cannot take time to think, to plan, and also to see what the "other fellow" is doing in a similar company. An occasional day spent on the property and in the offices of the neighboring corporation in the same line of business is well spent and may easily save your company a considerable sum of money in adopting some device or scheme tested out by the "other fellow."

Duties of Comptroller's Staff

The comptroller's assistant will be responsible in a general way for the work in the various local offices and the traveling auditors will report directly to him. He will have special duties assigned by the comptroller, such as preparing governmental reports and special investigations, etc., and will report to the comptroller direct.

The chief clerk will be held responsible for the detail work in the various rooms and departments and will have an oversight of the clerks who have them in immediate charge. He will have general charge of office management: the department of employees; the telephone, mail, and office-boy service; matters relating to typewriting machines; general stenographic work; the storage of records and other general work assigned by the comptroller. The chief clerk will report to the comptroller direct.

The statistician will have charge of all outside work pertaining to and leading up to the cost accounts, which he will

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prepare. Thus he will have charge of individual car mileage records, and other records in shops, operating offices, and the general offices, which will make it possible to determine the costs of wheels, motors, gears, trolley poles, etc. He will also have charge of all statistical work, reporting direct to the comptroller.

Two other officials of the comptroller's staff, both connected with the express or freight department, report to the comptroller direct as follows:

The express claim adjuster has charge of all express claims and initials all vouchers in settlement of express claims; he reports direct to the comptroller.

The head clerk of the express and freight service is charged with the responsibility of checking express reports sent in from agents and prepares all necessary journal entries pertaining to this department each month. He is responsible for all detail work conducted in the express service in the general office, reporting direct to the comptroller.

The head bookkeeper has charge of all bookkeeping, with general supervision over all journals and general ledgers, and is held strictly responsible for the appearance of these books. He also is in charge of the authorization ledgers and is held accountable for all the detail work performed on the various books under his jurisdiction. He reports to the chief clerk.

The head passenger clerk is responsible for the proper checking of the work which belongs to the passenger service and is responsible for all the detail work performed in connection with this service. He reports to the chief clerk.

The head voucher clerk has charge of all invoices and the vouchering of them, and reports to the chief clerk.

The head bill clerk is charged with the preparation and recording of all bills. He is held responsible for the prompt collection of the same, has general charge of all detail work performed in this connection and reports to the chief clerk.

The head clerk in charge of the expense ledger is considered responsible for the correctness of the expense ledgers, the general stores ledger, and all detail work connected with them. He reports to the chief clerk.

The head pay-roll clerk has charge of the pay-rolls. He is responsible for all detail work connected therewith and reports to the chief clerk.

The head statement clerk has charge of the preparation of all operating statements and other statements that may be assigned to him, and will be held responsible for the correctness of such statements. He reports to the chief clerk.

The head stenographer will have direct charge of writing letters and statements, and look after the detail stenographic work performed in the office. He reports to the chief clerk.

It should be remembered that the above chart and the detail distribution of duties in an accounting department are given merely as a suggestion to show how such a plan can be worked out. The reader should thoroughly understand that the organization of an accounting department of a street railway company depends upon the size of the company, the local conditions, etc.

Part II—Accounting Work Mainly Outside the Comptroller's Office

CHAPTER III

PASSENGER SERVICE — DIVISION CASHIER'S ROUTINE

Source of Street Railway Income

The most important part of the accounting work of a street railway company is in connection with the passenger business. Manifestly there must be a careful system of watching and accounting for the daily receipts. Also there is need of constant scrutiny of methods of operation and management to maintain and increase the efficiency and economy of the service. This is particularly the case with a large company operating in various cities under the handicap of diverse local conditions.

A vast amount of minute record work is involved which must be done with substantial uniformity of method by a great number of people, most of whom are outside the accounting department and engaged primarily in other duties.

To carry this work through swiftly and accurately day after day necessitates, first, a soundly devised system of impersonal records and reports, elaborate enough to cover all contingencies and simple enough to be operated by even inexperienced persons; and second, an unremittingly careful and patient checking of these reports by officials who are expert.

Accounting in Division Offices

Part of the accounting in connection with the passenger service is done in the division offices and part in the main office. Both parts of the work are equally essential but widely different in character.

In the division offices the original records are made and the preliminary checking done. After the records have been checked here and partly digested they are checked authoritatively in the main office; this final scrutiny, while of vital importance and requiring close and expert study, takes much less time than the first checking in the divisions. In the main office the mass of material is also digested and organized to give a comprehensive report for the entire road.

The work which the division offices have in charge is of two kinds: First and most important is that of keeping account of the daily passenger receipts, both cash fares and tickets. The money turned in by conductors must be counted daily and banked; the conductors' reports accompanying it must be checked and corrected; suitable digests and reports must be sent to the comptroller at the main office daily, weekly, and monthly.

Besides this main work the division accounting officials attached to the passenger service will have a number of special duties, all in some way growing out of this principal function, but involving relations with other departments of the company.

Conductors' Day Cards

The accounting for the daily passenger receipts begins outside of the office with the passenger's payment of fare. The usual fare on a street railway is five cents, paid to the conductor and rung up on the "clock" register, or dropped into an automatic fare-box. At the close of his working day the conductor fills out a day card, as on Forms 1 and 2.

"OUTSIDE" ACCOUNTING WORK

THE WESSEX COMPANY															Punch here <input type="checkbox"/>				
CONDUCTOR'S REPORT TO COMPTROLLER																			
Date _____				TIME WORKED															
RUN NO. _____				Hrs.		Min.													
Conductor _____		No. _____								Route _____									
Motorman _____		No. _____								Transfers Ended _____		X _____		X _____					
" _____		No. _____								" Started _____		X _____		X _____					
" _____		No. _____								" Issued _____		X _____		X _____					
Register No. _____		X _____		X _____		X _____		X _____		X _____		X _____		X _____					
" Ended _____		X _____		X _____		X _____		X _____		X _____		X _____		X _____					
" Started _____		X _____		X _____		X _____		X _____		X _____		X _____		X _____					
Total Registered _____		X _____		X _____		X _____		X _____		X _____		X _____		X _____					
Trip No.		Car No.		Specify Terminals & Time		REGISTERED FARES								Tickets & Cash Fares	Free Fares	TRANSFERS			
						Total										Register Readings		Collected		Issued
						1st Coll.	2nd Coll.	3rd Coll.	4th Coll.	5th Coll.	6th Coll.	7th Coll.	8th Coll.						
1																			
2																			
11																			
12																			
13																			
TOTAL																			
Note here number of Cash Dog Fares Collected _____										Tickets _____		Cash Fares _____		\$ _____					

REGISTER EXCHANGE REPORT															
THESE REPORTS TO BE FILLED OUT WHEN REGISTERS ARE TURNED OVER TO ANOTHER CONDUCTOR															
Reg. No. _____ Reading _____					Reg. No. _____ Reading _____					Reg. No. _____ Reading _____					
Exchanged at _____ A.M. _____ P.M.					Exchanged at _____ A.M. _____ P.M.					Exchanged at _____ A.M. _____ P.M.					
At _____ 5ths.					At _____ 5ths.					At _____ 5ths.					
Recd Reg. No. _____ In Car No. _____					Recd Reg. No. _____ In Car No. _____					Recd Reg. No. _____ In Car No. _____					
Reading _____					Reading _____					Reading _____					
Remarks: (Reason for exchange) _____					Remarks: (Reason for exchange) _____					Remarks: (Reason for exchange) _____					
Trip No.		SPECIFY POINT OF TURNBACK			SPECIFY BELOW FREE PASSENGERS, EMPLOYEES ETC. NOT REGISTERED								Trip No.		
		Turned Back From	Time	Mileage	1st Coll.	2nd Coll.	3rd Coll.	4th Coll.	5th Coll.	6th Coll.	7th Coll.	8th Coll.			
1														1	
2														2	
3					Reverse side of above Form									3	
11														11	
12														12	
13														13	
Remarks: _____															

Form 1. Conductor's Day Card (face and reverse).
Size, 8½ × 9.

[illegible]

REGISTER EXCHANGE REPORT																	
THESE REPORTS TO BE FILLED OUT WHEN REGISTERS ARE TURNED OVER TO ANOTHER CONDUCTOR																	
Reg. No. _____ Reading _____ Exchanged at _____ At _____ Recd Reg. No. _____ In Car No. _____ Reading _____ Remarks: (Reason for exchange) _____	Reg. No. _____ Reading _____ Exchanged at _____ At _____ Recd Reg. No. _____ In Car No. _____ Reading _____ Remarks: (Reason for exchange) _____	Reg. No. _____ Reading _____ Exchanged at _____ At _____ Recd Reg. No. _____ In Car No. _____ Reading _____ Remarks: (Reason for exchange) _____															
Trip No. _____	SPECIFY BELOW FREE PASSENGERS NOT REGISTERED																
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• Started _____	X	X															
Total Registered _____	X	X															
4	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Reverse side of above form</div>																
5	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Fare-box No. _____</td> <td style="width: 35%;">X</td> <td style="width: 35%;">X</td> </tr> <tr> <td>• Ended _____</td> <td>•</td> <td>•</td> </tr> <tr> <td>• Started _____</td> <td>•</td> <td>•</td> </tr> <tr> <td>Total Registered _____</td> <td>•</td> <td>•</td> </tr> </table>					Fare-box No. _____	X	X	• Ended _____	•	•	• Started _____	•	•	Total Registered _____	•	•
Fare-box No. _____	X	X															
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Total Registered _____	•	•															
8	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Trip No. _____</td> <td colspan="2" style="width: 40%;">SPECIFY POINT OF TURNBACK</td> <td style="width: 30%;"></td> </tr> <tr> <td></td> <td style="width: 40%;">Turned Back From _____</td> <td style="width: 15%;">Time _____</td> <td style="width: 45%;">Mileage _____</td> </tr> </table>					Trip No. _____	SPECIFY POINT OF TURNBACK				Turned Back From _____	Time _____	Mileage _____				
Trip No. _____	SPECIFY POINT OF TURNBACK																
	Turned Back From _____	Time _____	Mileage _____														
9																	
12																	
Remarks: _____																	

Form 2. Conductor's Day Card (face and reverse).
Size, $8\frac{1}{2} \times 9$.

These day cards or trip records give an itemized report of every trip made during the day. The form of this day card will, of course, vary according to the special conditions of different roads, but the principles generally observed are illustrated in Forms 1 and 2.

The system herewith described presupposes that some cars are fitted merely with the usual "clock" registers and others fitted with the fare-box of a modern type, where passengers deposit their money. Where there is merely a register, Form 1 is used; where there is a fare-box, Form 2. For suburban cars where there is more than one collection during a trip the fare-box is inconvenient for the accounting for fares and the register is generally installed on these cars, and accordingly Form 1 is used for the conductor's report. Both forms give information as to the conductor's name or badge number, the route, the trip, the number of the car, and time of run, the amount of cash collected, together with tickets and passes collected, transfers collected and issued, and records of the car registers.

Conductor's Cash Slip

The conductor makes out also a cash slip (Form 3), and a ticket envelope (Form 4). He puts the tickets and passes which he has collected during the day into the envelope and encloses the day card, the cash slip, the ticket envelope, and his cash in a canvas bag which he turns in at the division office as he goes off duty.

Receiver's Receipt

In some division offices the conductors give their bags to officials called receivers, who are kept on duty for this purpose day and night, and secure from them a receipt (Form 5).

THE WESSEX COMPANY CONDUCTOR'S CASH SLIP			
Conductor _____			
Badge No. _____ Date _____ 191			
Run No.	DIVISION	Dollars	Cents
	REG.		
Total			
ABOVE MADE UP:			
Bills			
Silver Dollars			
Pennies			
Total			
Conductors will put this slip in bag with cash.			

Form 3. Conductor's Cash Slip. Size, 4 × 7.

..... FOR PASSES and TICKETS ONLY Date Run No Passes Tickets Conductor Badge No.....
---	---------------------	-----------------------	-----------------------	------------------------	--------------------------	------------------------

Form 4. Ticket Envelope. Size, 3½ × 6.

THE WESSEX COMPANY CASH AND TICKET RECEIPT									
Date _____					Run No. _____				
Route _____									
Conductor _____									
Badge No. _____									
Bills					Received (_____) Ticket and Pass _____ Envelopes _____				
Silver Dollars									
Halves									
Quarters									
Dimes									
Nickels									
Total									
Received \$ _____									
Receiver. _____									

Form 5. Receiver's Receipt. Size, $4\frac{1}{4} \times 6\frac{1}{4}$.

Conductors' Drop-Safe

In other offices there are no receivers and the conductor deposits his bag in a specially contrived box in the local office known as a drop-safe. This is an ordinary type of safe with the door in front in the usual way, but with an opening cut in the top with a cap-like cover arrangement. When the door in the top of the safe is open there is a receptacle on the under side of this small door in which a bag of money can be set. Then when the handle is brought over and the door closed the money drops out of the receptacle down into the safe.

The particular feature of this safe is that the cover on the receptacle is so arranged that when it is open nothing can be taken out, any more than from a United States mail box.

Receivers' Handling of Conductors' Cash

The receiver's duty is to count the money turned in to him, prepare a report of all collections on Form 6, and deposit the money in the bank, or with the division cashier.

[illegible]

Form 6. Receiver's Tally Sheet. Size, 8½ × 14.

A report of cash received from all sources is sent the comptroller daily by the cashier on Form 7.

It is important that this cash report for the comptroller should be dated the same day the money is deposited, in order that it may more readily be checked with the corresponding report from the bank to the treasurer of the company, which is sent in on Form 8.

THE WESSEX COMPANY		
Division		
Office	Date	191...
COMPTROLLER		
	Head Office	
Dear Sir:		
I beg to advise you that my bank deposits today as reported to the Treasurer were made up as follows:		
Passenger Receipts.....	.....	.....
Ticket Sales.....	.....	.....
Chartered Cars.....	.....	.....
Electric Dept. Sales.....	.....	.....
Gas Dept. Sales.....	.....	.....
Accounts Receivable.....	.....	.....
Total		.....
Yours truly,		
..... Division Cashier.		

Form 7. Cashier's Daily Report of Cash. Size, $5\frac{1}{2} \times 8$.

	Date.....	19....
TREASURER		
THE WESSEX COMPANY		
Dear Sir:		
..... Local Cashier,		
at..... has deposited this		
day to the credit of The Wessex Company the sum of		
		Dollars
		100
\$.....	account	for
.....		
Yours truly,		
..... Teller.		
Receiving tellers will please confirm the figures noted above by re-entering against their signature.		

Form 8. Daily Cash Report from Bank to Treasurer. Size, $5\frac{1}{2} \times 8\frac{1}{2}$.

Where drop-safes are used instead of receivers the bags of money are taken from the safes and checked against the list of local conductors by a representative of the cashier's office. He is assisted by any motorman or conductor who may be available for the purpose at the time and this employee and the cashier's representative sign the list against which the packages have been checked. The conductor or motorman assisting in this should be paid for his time.

For some divisions metal tags have been furnished; for others the numbers have been printed on the money bags. In other cases a list (Form 9) is provided upon which the different conductors' numbers can be written as each package is removed from the safe.

THE WESSEX COMPANY								
This Report must be prepared by either Conductor or Motor- man who witnesses the number of bags or envelopes taken from safe.								
.....Division.			Location of Safe.....					
NO.	NO.	NO.	NO.	NO.	NO.	NO.	NO.	NO.

I have this day witnessed.....extract from
conductor's safe bags or envelopes said to contain returns of
the various conductors on this division whose numbers are
checked off above.

Motorman
Conductor.....No.

Date.....191

Clerk
Cashier.....

Form 9. Tally Sheet for Conductors' Bags. Size, 8½ × 14.

For some large divisions where there are many conductors a printed list of conductors' badge numbers is furnished on Form 10.

This check is not to cover the amounts contained in such packages but to ascertain only whether or not the returns of any conductor are missing.

THE WESSEX COMPANY					
DIVISION					
Cash Bags were taken from safe at.....Car House as					
checked below at.....A. M. on.....19....					
2602	2652	2702	2752	2802	2852
2604	2654	2704	2754	2804	2854
2606	2656	2706	2756	2806	2856
2608	2658	2708	2758	2808	2858
2610	2660	2710	2760	2810	2860
2612	2662	2712	2762	2812	2862
2614	2664	2714	2764	2814	2864
2616	2666	2716	2766	2816	2866
2640	2690	2740	2790	2840	2890
2642	2692	2742	2792	2842	2892
2644	2694	2744	2794	2844	2894
2646	2696	2746	2796	2846	2896
2648	2698	2748	2798	2848	2898
2650	2700	2750	2800	2850	2900
Signed..... Messenger. Signed..... Badge No..... <div style="text-align: right; margin-top: 10px;"> Received by Clerk. </div>					

Form 10. List of Conductors' Badge Numbers.
Size, 8½ × 13.

Register and Fare-Box Readings

As a check on the conductors' reports, the readings of the car registers are examined independently, as soon as the cars reach the barns, by inspectors responsible to the barn foremen.

When a car reaches the barn the inspector whose duty it is copies the readings on Form 11—a four-page folder giving the numbers of the cars on the division, with spaces for readings, etc. The illustration below shows one page of this folder.

THE WESSEX COMPANY				
DAILY CAR AND REGISTER RECORD OPEN CARS				
.....				Division
Date.....				191
CAR NO.	REGISTER NO.	REGISTER READINGS	TAKEN BY COND NO.	RUN NO.
401				
402				
419				
420				
421				

Form 11. Inspector's Register Reading.
Size, $4\frac{1}{2} \times 9$.

This form is merely a memo for the inspector. At the end of his working day he copies the readings on Forms 12 and 13, according to whether the car has merely the clock register or has both register and fare-box, and sends one copy of each form to the division cashier and to the comptroller. If a car from another division has come into the barn, the inspector uses Form 14 for that car and sends a copy of this form to the division cashier and another copy to the comptroller.

These register reports must reach the division cashier's office as soon as the conductors' reports to which they correspond.

Form 12. Register Reading Report. Size, 5½ × 8½.

Form 13. Fare-Box and Register Report. Size, 4 × 9.
(One page of a four-page folder.)

troller daily; a report of tickets and passes collected (Form 15), also sent daily; a report of ticket sales and miscellaneous business (Form 28), sent to the comptroller four times a month; a monthly balance sheet (Form 29); and various monthly reports such as Earnings by Routes (Form 137), Car Mileage, Car Hours (Forms 150-152), etc.

To complete this program of work every day—the summary of daily business must be in the comptroller's office by the second day after the business described—in addition to the other duties of the local cashier, requires careful systematizing of the various tasks. The order in which they are best taken up will no doubt vary with local conditions. The order here given, however, may be used to advantage either in a large division office where the cashier has eight or ten clerks who oversee several hundred cars and conductors, or in a small office where the cashier must do all the work unassisted.

(1) Conductors' Cash

In a division office where drop-safes are used check the conductors' returns from the drop-safes and count the cash. Deposit this in the bank and make the proper entries in the division cash book.

In a division office where there are receivers this will have been done already—the money will have been counted and the deposit made and reported to the division cashier as stated above; or the money for deposit will be put into a safe where the cashier can get it when he comes on duty in the morning, in those cases where the receiver finishes his work and goes off duty probably by 4 o'clock in the morning.

(2) Sorting Day Cards, Cash Slips, etc.

Sort the conductors' day cards and arrange them according to the schedule of regular and special "runs" for the day.

(The cars of a street railway operate over certain fixed routes, each route being given a distinguishing letter, A, B, C, etc., for convenient reference. The conductors and motormen working over each route have certain "runs" or working periods. For instance, John Smith goes on from 6 A.M. to 12 N., from 1 to 4 P.M., and extra from 7 to 10 P.M.)

Sort in the same way the conductors' cash slips and ticket envelopes and also the register and fare-box reports sent in from the inspectors at the barns.

(3) Counting Tickets and Passes

Count all tickets and passes. While tickets figure less in the street railway system here described than in some other companies, a good many are used in the course of the day and the different classes of tickets sold at different rates must not be confused.

The classes used by one company are: the regular five-cent ticket furnished in books for convenience but not reduced in price; varieties of commutation tickets, such as monthly books sold for ten cents per day and good only between certain points; twenty-five ride books and fifty ride books good only between certain points; workingmen's tickets selling at four cents each in books of a hundred; and pupils' tickets selling at two and one-half cents each. (See page 49.)

The tickets should be counted face upward for greater accuracy and the clerks should make sure when opening the conductors' envelopes that the tickets have all been properly cancelled. This is especially important with reference to free "employees' tickets."

The contents of each envelope are counted separately at first and any corrections necessary are noted on the outside of the envelope. Then the tickets are grouped according to classes or distinguishing letters and counted again. From these figures the cashier fills out Form 15, "Daily Report of

Tickets and Passes Collected." Finally, the tickets are made into bundles of fifty or one hundred by classes and sent to the comptroller's office.

THE WESSEX COMPANY			
Daily Report to Comptroller of Tickets and Passes Collected			
on..... Division.			
Date.....191...			
Class	DESCRIPTION		Totals
A	All Line tickets.....		
B	Pupils 40 ride.....		
C	Jonesville-Foote's Corner.....		
D	Walter's Switch and Shady Lane.....		
E	E. Lake 50 ride.....		
F	Smithville 50 ride.....		
G	Winton-Georgetown 20 ride.....		
H	Raymond 50 ride.....		
I	Winton 50 ride.....		
J	So. Watertown 50 ride.....		
K	Greensville		
V	Legislative.....		
W	Dog Permits.....		
Total Revenue Tickets			
Employees' Passes.....			
Complimentary			
Workmen Strip			
Directors			
Total Free Passes			
This Report agrees in total with my Daily Passenger Earnings Report.			
Signed..... Division Cashier.			

Form 15. Cashier's Daily Report of Tickets. Size, $5\frac{1}{2} \times 11$.

(4) Compiling Report of Daily Passenger Earnings

Begin writing up from the day cards (Forms 1, 2, pages 24, 25) a report of passenger earnings (Form 16).

This form records or summarizes the conductors' reports on the day cards. After the day cards have been properly sorted by badge numbers and also by routes, a clerk enters

39

Form 16. Division Cashier's Report of Daily Passenger Earnings. Size, 14 X 17.

each on this form. He groups the day cards from each "route" together and copies from each card the badge number, the conductor's name, the run number, the car number, the readings of the registers, the number of revenue passengers, of free tickets, of revenue tickets, the amount of cash collected on the run, and the number of transfers issued and collected.

For the fare-box readings shown on the day cards, use the blank columns to the right of the "Transfers Issued" column; using the first two columns between the double ruling for the amount of fares deposited in the boxes, and putting the number of the fare-box in the last column.

This is a most important record, which is used in nearly all subsequent operations; it should be written up as early as possible in the day. When one or more sheets of it are completed, the work of checking and verifying this day card record can begin.

(5) Verification of Day Card Record

Check and verify the day card record as now entered upon Form 16 by comparing it with (a) the ticket envelopes, (b) the register and fare-box reports. The two processes may be carried on successively or, if there are several sheets of Form 16, at the same time.

(a) Compare Form 16 with the ticket envelopes, now corrected by counting the tickets, to see that the number of tickets and passes received tallies with the number shown on the day cards. Any differences or shortages are charged to the various conductors; that is, if a conductor turns in one ticket more than his report calls for, his report should be corrected to show the actual number of tickets turned in and the amount of his cash reduced by the value of the ticket, five cents. If a conductor is short one ticket, his report should be corrected to show the actual number of tickets turned in, and the

amount of cash increased to the amount of cash he should have turned in.

(b) Compare Form 16 with the register and fare-box reports and with the day cards. Summarize the fares on the register reports and the fare-box reports, using the letter of the route for quick reference to the day cards in locating errors, all of which must be located. After all errors have been found and corrected and the conductors' reports have been footed, compare them with Form 16. If the work is done correctly the total of the column "Registered" on Form 16 should agree with the sum of all fares as shown by the summary of register and fare-box reports. Form 16 is a balance by itself in the following way:

The total, "Revenue Passengers," which includes cash fares and cash tickets, plus the total, "Free Passes," should agree with the total "Registered." The amount of cash is proved by subtracting the total "Tickets" from the total "Registered" and multiplying the difference by five cents. This applies to lines where transfers are not rung up on the cash register. When they are so rung up the only change would be that the total "Registered" would equal the three columns, "Revenue Passengers," "Free Passes," and "Transfers Collected."

Reconciliation of Register Reports

The register and fare-box reports on Forms 12 and 13 are apt to be imperfect in two points; first, with reference to cars which have gone from one division to another, as happens very frequently; second, with reference to registers on which fares have been rung up in the process of repair in the shops. To cover the first of these points, the following reconciliation report is made out by the cashier from the regular register reports on Form 17. This reconciliation report should be sent to the comptroller within two days.

Form 17. Reconciliation of Register Reports. Size, 5½ × 12.

This form may call for some comment. The "total" of (1) covers the corrections listed in (2) to (8) lower on the page. Under (2) should be given the numbers of registers for which but a single reading has been turned in on the register reports, and with the number of the register should be given the single figure which has been reported. (3) refers to registers for which both readings appear on the regular reports but for which some part of the mileage is applicable to other divisions. The items "added" would represent fares on the regular day cards for which no readings appeared on the register reports. (4) refers to items not previously reported on earlier days and adjustments on Form 16 of previous unaccounted fares. (8) refers to cases not provided for in the other points. Regarding (5) and (6) some further comment is necessary.

[illegible]

Form 18. Register Repair Report—Daily. Size, $5\frac{1}{2} \times 8\frac{1}{2}$.

Repairing Car Registers

When car registers are repaired in the shops a daily report of fares which have been rung up in the process of repairing is furnished to the division cashier. For this purpose, Form 18 is used.

The readings before and after ringing and the reasons for registering should be given. The comptroller's office will then be able to check the ending numbers of the fares registered against the starting numbers of the following day and thus adjust any discrepancies which may appear. This form should be signed by the foreman in charge, or the repairman, and should be forwarded each day with the register reports which are affected to the comptroller's office.

Fare-Box Reports and Reconciliation

It is important to account separately for cash fares deposited by the passengers in the fare-boxes. The fare-box registers in dollars and cents, the difference between two readings equalling the cash actually in the box at any one time. The total amount shown on Form 16 as fare-box collections should be added up and reconciled with the fare-box register report, as explained on page 34, following the same procedure as is followed in reconciling the clock register report. The cash shown by the fare-box register should then be compared with the cash charged to the conductor through the clock registration.

Conductors are to be charged with the highest registration of cash fares disclosed on the clock register or on the fare-box. Thus, assuming that after checking a conductor with the register report it was found that the amount to be accounted for in cash was \$25 but the fare-box showed that \$25.50 was deposited therein, it would be necessary to charge the conductor with fifty cents. If the conductors properly account for their fares, the final reconciling charge to the con-

ductor for fare-box registration should of course agree with the cash charge after the clock register report has been reconciled, since all fares deposited in the fare-box should have been rung up on the clock. In practice, however, there will be discrepancies.

In order to arrive at self-proving totals, in the case instanced above ten fares should be added to the grand total registered in "Revenue Passenger" column and fifty cents to the "Cash" column and the conductor's name should be mentioned. This conductor would appear on the "Short" list for the difference, if any, between \$25.50 and his remittance. On the other hand, if the fare-box registration showed \$24 and the clock \$25, no further accounting would be necessary in this case.

The items added to the bottom of the form for excess registration of the fare-box should be added to the respective routes for statistical purposes and this can readily be done if the route letter or other characteristic is shown for each item.

(6) Checking Passenger Earnings Report by Day Card

Now that an accurate record of the day's passenger business has been obtained, the cashier proceeds to make necessary digests and reports thereof. First, in order to note and arrange for the necessary adjustments of cash with individual conductors, compare the conductors' day slips with Form 16. Where differences have been found, enter them on the "Short and Over List" (Form 19). (See page 48).

Errors regarding cash returns must be rectified promptly by the conductor. If he is short, he must pay what he owes; if he is over, the excess amount he has paid in must be refunded to him. These adjustments and collections are part of the daily duty of the division cashier. When the money due from the conductor has been paid in, the fact is indicated in the cashier's report to the comptroller.

(7) Correcting Day Cards

Change the day cards to conform with any adjustments of tickets or cash that may be noted on Form 16.

(8) Reporting Passenger Earnings by Routes

On Form 16 the conductors' day card reports will have been arranged by routes—those of one route together. Form 16 should now be footed by routes and the total for each route entered in a daily record book of the earnings by routes within a division. A report of this matter is to be sent to the comptroller's office monthly on Form 137 (Chapter XXI).

(9) Checking Transfers

To check all transfers thoroughly would involve an immense amount of labor and an expense quite disproportionate to the money which might here and there be saved. On the other hand, it is not wise to disregard them entirely. A useful method is to try to check each conductor about once a week. The transfers are turned in by the conductors with their cash and tickets in envelopes made for the purpose. They should be sorted by the badge numbers and the trip should be noted as shown on the envelope and compared with the running schedule. If the car is running on schedule time the various transfer points are noted and the direction, time, destination, and run are all checked so that the cashier may be reasonably sure that the use of the transfer was proper. All errors or misuse of transfers should be immediately reported to the division manager.

CHAPTER IV

PASSENGER SERVICE — SPECIAL DUTIES OF DIVISION CASHIER

Relation of Routine Work and Special Duties

As has been said in connection with the routine work sketched above, a report of passenger earnings and a report of tickets and passes collected are prepared for the comptroller's office daily.

The other reports sent to the comptroller once a period or once a month, although based chiefly on the routine work, involve also some of the special duties assigned to the cashier's office, and can best be described after these other duties have been treated.

Collecting Conductors' "Shorts"

It is the duty of the division cashier to collect conductors' "shorts." As this matter often causes much annoyance in street railway accounting, the following suggestions may be of use:

A list of "shorts" and "overs" should be prepared in duplicate or triplicate, according to local conditions, on Form 19. One copy should be posted as soon as possible on the blackboard in the conductors' and motormen's room at the barn, and another copy placed in the hands of the representative of the cashier's office who is to collect the "shorts." The cashier will see that "overs" are returned to conductors as soon as possible, taking the money from the "shorts" or from receipts for tickets or cash fares, and requiring the conductors to sign the "over" list.

[illegible]

Handling of Doubtful Cases

In cases where the conductor is "short," but denies the fact, and the cashier is somewhat in doubt (although, of course, there should be no doubt, as the records should prove it) it is best to pay the conductor his full wages on pay day. But in all cases the division manager should be notified and

all the facts in the case should be submitted to him so that he can help to decide what action should be taken. The matter should be attended to promptly. The cashier's reports to the comptroller should show in all cases where a shortage has been outstanding more than a week that the matter had been referred to the division manager. In addition, the cashier should write to the comptroller giving full information and wait for advice.

A bag full of receipts is sometimes lost, the conductor asserting that he deposited the money in the drop-safe in the usual way. If the cashier is entirely satisfied that the conductor did not deposit the money, it will be proper to deduct from the man's wages on pay day the amount which he professes to have deposited; or if the amount concerned is in excess of his wages, the conductor should receive no pay. The facts should be reported to the division manager's office and also to the comptroller.

If the case is at all doubtful, the conductor's wages should not be held up but he should be paid and reported as in the case of minor shortages. In all cases of shortages of conductors, the company should be extremely careful when deductions from wages are made. No employee ought to be forced to bring suit for wages when the company has a claim pending against him, unless the company's claim is so clear that no unprejudiced person could prove the contrary.

Conductors who are habitually short should be referred to the manager, as it is undesirable for them to acquire the habit of holding out purposely, knowing that the shortage will be deducted on pay day. The cashier should keep a memorandum of his reports to the division manager to show that the company has done its part.

School Children's Tickets

Another duty of the division cashier is connected with the

sale of tickets. The use of tickets in the street railway business varies with different roads, as has been stated. In connection with the system here outlined, the most important aspect of the subject is that tickets for school children are required by the state law to be sold at half the regular rate. While requiring a reduced rate, however, the law permits the road to make certain conditions and prescriptions. It is the duty of the division cashier as the representative of the accounting department to see that these conditions are observed.

The cashier must see that these pupil-tickets, which are sold forty for a dollar, are sold only to the right persons, namely, to students not over eighteen years of age attending a school where no tuition is charged. The application must be made by the student in person on Form 20, provided for the purpose.

The form must be signed by parent or guardian and approved by the principal or teacher of the school. In the case of very young children, the application may be made by the parent or guardian, who will sign the child's book again as guardian. In such a case the approval of the division manager or of the cashier must be obtained. Not more than one book of forty tickets may be sold to one person at a time, but not more than one application a year is necessary. These applications should be filed where they may be easily referred to. When the forty tickets have been used, the covers of the books must be taken up by the conductor, turned in to the cashier, and sent on to the comptroller's office.

School children's tickets are not transferable and must be used only at proper times. They are good only between 7:30 A.M. and 5:30 P.M. on school days and are void after the close of the school year. Every book of tickets accordingly must bear on its cover the name of the holder, the number, and date of sale. Each year a different color should be used.

THE WESSEX COMPANY APPLICATION FOR PUPIL'S TICKET
<p>.....</p> <p style="text-align: center;">_____</p> <p>I hereby make application for a Pupil's 40 ride Ticket, subject to conditions printed on the back hereof.</p> <p>Name of Pupil.....</p> <p>Address</p> <p>Name of School.....</p> <p>Signed</p> <p style="text-align: center;">(Parent or Guardian)</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">I hereby certify that the above named</p> <p>.....</p> <p>is a member of the.....School</p> <p style="text-align: center;">Signed.....</p> <p style="text-align: center;">Principal or Teacher.</p>
<p>No Application will be accepted unless certified to by Principal or Teacher.</p>
<p>No. of Ticket Issued.....</p> <p style="text-align: center;">(See conditions on the back of this application.)</p>

Form 20. (a) Application for Pupil's Ticket (face). Size,
 $5\frac{1}{2} \times 8\frac{1}{2}$.

If tickets are presented by the wrong person or at the wrong time they will not be honored for passage and the book will be taken up by the conductor.

Unused portions of such tickets may be redeemed at the

CONDITIONS

In consideration of the reduced rate at which this ticket is sold, it is expressly understood that it is issued exclusively for Pupils under 18 years of age attending a Public school who pay no tuition fee, and is to be used **ONLY** in going to and from school, on days in which said schools are in session, and between the hours of 7.30 A. M. and 5.30 P. M.

The ticket will be honored only in the hands of the Pupil to whom it is sold and whose name will be written plainly on the cover. The Ticket is **nontransferable** and will be taken up by the Conductor if presented by other than the purchaser.

Unused portions of tickets will be redeemed if of sufficient redemption value—the redemption value to be determined by deducting from the original cost of the ticket an amount produced by multiplying the number of coupons used by five cents.

The person accepting this Ticket agrees to comply with above conditions.

THE WESSEX COMPANY.

Form 20. (b) Application for Pupil's Ticket (reverse).

cashier's office on the same basis as commutation tickets, namely, charging five cents for each ride used. If more than twenty rides have been used, the holder is not entitled to the redemption.

The division cashiers have no authority to make any exceptions to these rules, but must refer all requests for exceptions to the traffic agent of the company.

Chartered Cars

A matter of importance on street railways is that of special cars (or chartered cars) run sometimes without charge and sometimes for pay. To keep a record of this service as a check for the accounting department is an important function of the division cashier.

A method of handling this matter may be illustrated by a summary of instructions issued to division managers and division cashiers.

Instructions to Division Manager

When a special car is asked for by any person, whether revenue is to be received or not, application must be made to the division manager, who makes the necessary arrangements, filling out Form 21, "Chartered Car Order."

THE WESSEX COMPANY CHARTERED CAR ORDER	
Division.....	Date.....
To.....	
<div style="display: flex; justify-content: space-between;"> Single Truck Car....For..... </div>	
<div style="display: flex; justify-content: space-between;"> Double </div>	
Leave.....	
Destination.....	
Return to.....	
Remarks.....	
.....	
Charges.....Collect. Paid at Office.	
Send Bill to.....	
Original to Dispatcher	
.....Manager	

Form 21. Chartered Car Order (in quadruplicate). Size,
 $7\frac{1}{2} \times 5\frac{1}{4}$.

These orders come fifty in a book, numbered consecutively and in quadruplicate form on different colored paper. As

they are in series the manager should be careful not to spoil any copies. If he should accidentally spoil one and be compelled to issue a new order, he should cancel those he has spoiled by writing the word "Cancelled" across the face of them and turn all four copies of the spoiled order over to the division cashier.

The original and the duplicate copies should be sent through to the dispatcher or to the assistant manager of the division, as the case may be, who retains the original for his files and delivers the duplicate to the conductor who is to have charge of the car.

The conductor will collect the amount specified if the order is marked "Collect" and turn the amount so collected, together with the duplicate copy of the order, over to the cashier. If no collection is to be made on the car the conductor will give merely the duplicate copy to the cashier, making out a regular day card in addition.

The triplicate copy of the order should be handed to the cashier as soon as possible as an advice to him that the service is being performed. The money specified should be received from the conductor or paid at the office, unless credit is extended to the party chartering the car.

The quadruplicate copy is left bound in the book to be used as a file for the division manager who issued the order. When all the forms in the book are used up, the cover with the quadruplicate copies of all the orders is to be returned to the comptroller's office and filed.

Manager's Procedure—"Foreign" Cars

When the division manager is asked to run a chartered car from a point on his own division to one on another division, he should issue the order in the usual way but should indicate also the names of the divisions over which the car is to be run. He should then prepare an extra copy of the order

on blank paper, marking it with the same number as the regular chartered car order blank, and send this extra copy to the manager of the other division. In case the car is to be run over more than one other division, such a copy should be sent to the manager of each division concerned.

The manager of a connecting division over whose lines the car is to be run will arrange, on receipt of the order from the other manager, for the necessary men and the movement of the car in the usual way. He will himself issue an order on Form 21. On the line "Charges" he will write "Mileage proportion" and on the line "Send Bill to" he will put the number of the chartered car order received from the other division, with the name of that division. He will attach to the copy of his own order to be sent to his own division cashier, the order received from the connecting manager, being careful not to put on the order he himself issues any amount to be collected.

Payment for Chartered Cars

Payment for chartered cars should be made in advance at the division office, or—and this is a better plan—to the conductor on the car. To furnish chartered car service on credit is not advisable: it necessitates issuing bills from the comptroller's office, and there is often difficulty in collecting the money. The rule of the company regarding the extension of credit for any service is that the person desiring credit shall make a written application to the office of the comptroller, where his standing is looked up. As this rule is sometimes difficult to apply under the conditions of chartered car service, a certain discretion is left with the division manager. Credit should be allowed, however, only after the manager has personally interviewed the applicant and satisfied himself that there is some sufficient reason why payment should not be made in accordance with the rule of the company.

A method often followed is that of furnishing a car at an agreed price, with the provision that regular fares will be collected from the passengers by the conductor and applied to the payment of the agreed price; after which a bill will be issued for the balance.

Instructions to Division Cashier

The triplicate copy of the chartered car order will constitute a notice to the cashier from the division manager that this car is to be run, and that the amount of money called for on the order is to be paid at the cashier's office by the conductor or person ordering the car, or payment is to be made by bill.

The duplicate copy of the order, given to the conductor, will be turned in to the cashier after the service has been performed, together with the money, if the conductor has collected it, and in addition a regular day card. This duplicate should be compared with the triplicate and filed in the cashier's office.

The triplicate copies of chartered car orders should be treated as follows: Those orders for which the money has been paid in should be held by the cashier until the end of the week when he makes his ticket sale report. He should then report the amount collected for chartered cars on Form 28 (see page 75), giving the chartered car numbers, and attaching to the form the triplicate copies of such orders.

When collection is to be made by sending a bill the cashier should forward the triplicate immediately to the comptroller with a letter of enclosure, so that a "bill collectible" can be made out. When the service is paid for, if it is paid at the division office, it should be reported as the collection of a bill collectible, giving reference to the bill number.

Cashier's Report of Chartered Cars

All chartered car orders covering service actually per-

formed during the cashier's reporting periods—ending on the 7th, 14th, 21st, and the last day of each month—must be included in the cashier's report for that period on Form 28 and sent in to the comptroller's office, whether collection has been made or not.

When cars are run for an agreed price, as explained above, the fares collected by the conductor on such cars should be reported on a separate day card marked "Chartered Car." The number of fares so collected and the amount of cash, etc., should *not* be entered on the regular Form 16, nor be considered as part of the regular business in any way, but should be handled as follows:

The chartered car order should show on it the *full amount* of the price agreed upon, and if any fares are to be collected notation to that effect should be made. When the cashier receives the copy of this order he will enter on the face of it the amount of cash the conductor collected on the car, as reported on the special day card, and if a bill is to be issued for the balance he will forward the order in the usual way to the comptroller's office where the bill will be made out accordingly.

The cashier will enter the amount of cash in his cash book and deposit it in the regular way. He will handle it just as he would any other cash he may collect.

He will enter the chartered car order on Form 28 at the full agreed price before deducting the amount for the cash fares collected.

The effect of this will be that on Form 28 the cashier will charge himself with the full price for the chartered car service. He will obtain credit through his bank deposit for the amount of cash collected and turned in to him by the conductor and by the bill issued from the comptroller's office for the balance.

If the chartered car order specifies that payment is to be made to the conductor or at the office and the cashier does not

receive the money for the service from either source up to the end of the reporting period in which that service was performed, the cashier should mark across the face of the order "Money not received; send bill" and send it in with his regular report on Form 28.

The Originating Division

The division where the service originates and where the car is furnished will be responsible for the collection of the money involved.

When the cashier receives a copy of the order from his manager for a car to run over other divisions he will enter it on Form 28 in the regular way. Within a proper time, which should not be later than two days after the service is performed, he should receive from the cashiers of the other divisions concerned a report of mileage made by that car on every division.

When these reports come in from the other divisional offices, the cashier will write across the face of the original order from his own manager the distribution of the amount charged between the participating divisions, as follows: The originating division will be credited first with \$5 for furnishing the car, and the remainder will be divided between all the participating divisions on the basis of car mileage. The cashier will indicate on the back of the chartered car order the mileage made on each division as reported by the other cashiers and also the proportion for each division arrived at as above.

Distribution of Charge

For instance, division A runs a car to division B; it makes twenty miles on the A division and ten miles on the B division. The A division cashier will, on the back of the order, show as follows:

A division	20	
B division	10	
	<hr/>	
Total mileage	30	
Total amount to collect		\$15.00
Amount to be credited to A division for use of car		5.00
		<hr/>
Balance		\$10.00

divided as follows:

Two-thirds to A division equals	\$6.66 + \$5.00	\$11.66
One-third " B " " " 3-34		3.34
		<hr/>
		\$15.00

The division cashier will take up, of course, the total amount of this order on Form 28 in the usual way. The distribution among the various divisions will be made in the comptroller's office from the information furnished on the back of the order.

The Connecting Divisions

When the cashier of a connecting division receives a copy of an order from his manager showing that it is based upon an order from another division, he should find attached to it a copy of the originating order. When the service is performed he will at the earliest possible moment figure out the mileage made on the division by that car, and send back to the originating division the copy of the order received therefrom with the mileage, and the name of his division clearly shown. The order issued by his own manager will, of course, show nothing to collect, and he will show that order number in the regular way on Form 28, but with no amount to collect.

He will include in the mileage of his division the mileage made by that car while in his division. The credit to his earnings will be taken care of in the comptroller's office.

Transporting Packages on Passenger Cars

The transportation of small packages, somewhat on the status of baggage, is often given to the passenger service. This practice often causes trouble and in the writer's opinion it is not generally desirable. There are some localities, however, where packages can be so carried with benefit to all concerned by the use of a system of express labels. (Form 22.)

These labels may be sold by the division cashier's office and perhaps, if it seems advisable, by the conductors.

If the labels are to be sold by conductors, the cashier should open an account with each conductor in a small ledger, charging the conductor with the serial numbers and value of the labels delivered to him at five cents each. The conductor should give a receipt for the number of labels furnished him.

Each conductor should report daily on his day card the number of express labels on packages during the run, and on Form 23 the number of labels which he has sold.

This report should show the date, the ending number of the express labels, the commencing number, the number sold, and the amount of cash received from the sales. As the conductor uses up a book of labels he should turn the cover in to the cashier.

There must be a separate label for every package. The top coupon is to be retained by the consignor, the middle one by the conductor. The consignor must sign properly in the space provided, and the conductor must fill out on the reverse side of the coupon the name of the consignee, the date, the trip, and his own name. This coupon is to be punched by the conductor, turned in promptly to the cashier and filed according to date in the division office. The lowest coupon, which is gummed, is to be attached to the package by the purchaser—never by the conductor—in order that the purchaser may have an opportunity to read the conditions under which the contract is made.

THE WESSEX COMPANY PACKAGE IDENTIFICATION LABEL Five Cents (For use subject to the regulations and conditions hereon)		
Regulations as to Weight, Distance, Etc. —Packages weighing less than 10 lbs. require 1 label (5 cents) for each 5 cent passenger fare zone through which such package is carried; for each additional fare zone an extra label is required. Packages weighing 10 lbs. and not over 25 lbs. require 2 labels (5 cents each) for each 5 cent passenger fare zone through which such package is carried; for each additional fare zone two extra labels are required. No bulky package or over 25 pounds in weight accepted.		
Conditions: —In consideration of the acceptance by the Wessex Company for transportation on its passenger cars of a package bearing an identification label of the same serial number as hereon appearing, said package being unaccompanied by the owner, it is agreed that said Company shall be responsible for loss, damage or delay to such package only in the event of negligence, and the burden of proving actual negligence shall be upon the claimant; and further it is agreed that, in consideration of the low rate charged for transportation, under no circumstances shall the Wessex Company be liable in the event of loss, damage or delay for a sum in excess of one dollar (\$1.00), at which sum said package is hereby valued.		
This stub to be retained by shipper	No. E	7000
THE WESSEX COMPANY PACKAGE IDENTIFICATION LABEL Five Cents		
		No. E
		7000
<input checked="" type="checkbox"/> This contract must be signed by person shipping package and delivered to Conductor. Conductor must promptly send these contracts to Cashiers.		
THE WESSEX COMPANY PACKAGE IDENTIFICATION LABEL		
This label to be attached to package.	No. E	7000

CONDUCTOR'S RECORD	
This MUST be filled out by Conductor on receipt of package	
Name of Consignee.....	.....
Date.....	.....
Trip.....	.....
	Conductor.

Form 22. (b) Conductor's Record (reverse of second package label).

THE WESSEX COMPANY				
EXPRESS DEPARTMENT				
Date.....				
Route:				
Ending No.				Total
Commencing No.				
No. Sold				
Amount of Cash				
Conductor				
Number				

Form 23. Package Labels Sold. Size, 5 × 5½.

Report of Package Labels

The cashier should check carefully the conductor's report on Form 23, to see that the numbers of the labels follow in consecutive order with the previous days' reports, that the cash is correct, etc. He should enter the amount of cash in his regular cash book as follows:

Express Dept. . . . Express Labels @ 5c, each, \$. . .

He should credit the conductor in the special ledger referred to with the serial numbers of labels sold and the amount of cash turned in, so that this ledger will always show the numbers and value of labels in the hands of the conductors.

The cashier should deposit the cash in the bank and report it on his daily advice to the comptroller (Form 7, page 30) as express earnings.

On Form 28, the period report of ticket sales and miscellaneous business, the cashier should report, under the head of miscellaneous earnings, the number of express labels sold. He should consider as labels on hand all unsold labels in the office and all labels remaining unsold in the hands of conductors.

Transporting Packages—Foreign Divisions

When a parcel is to be carried to a point on a foreign division, the conductor should see that the proper number of labels are attached to the parcel, one for each 5c fare zone. He should then see that the lowest numbered label is properly signed in the space provided for the signature of the consignor, and he should, on the reverse side of this coupon fill out as per previous instructions his name, date, trip, and consignee's name. This label is then considered as the contract between the consignor and the company; and the succeeding labels, which are considered merely as evidence of the pay-

ment of the through rate, are attached to the contract label by the conductor.

At the terminus of his division, where a foreign crew takes charge, he should deliver the package to the other conductor and request him to sign his name on the highest numbered label attached to the parcel on the reverse side of the middle coupon. Thus he will obtain a receipt showing to whom the parcel was delivered.

The division upon which a parcel originates retains all the labels required to carry a parcel to its destination, regardless of the number of divisions through which it may pass in its transportation.

Cashier's Record of Packages

The cashier keeps a daily record showing the total number of coupons collected by the conductors on the division. This includes the stubs for packages carried on his own division; also the stubs for packages which originated on his division and went to another division, or which originated on another division and went to a point on his own division. This record could be kept on a plain sheet of paper showing the date of the month, day of the week, and the total number of stubs collected by his conductors. At the end of the month the cashier should add up this column and send either that record or an exact copy of it to the comptroller's office, so that it will be received not later than the 5th of each month.

The report should be headed clearly with the name of the division and with the words "Number of Express Labels Collected During the Month of" It should show the number collected each day, and should be signed by the local cashier.

Transporting Dogs

Regular fare will be charged for the transportation of dogs. Tickets or "dog-permits" may be bought in advance

and will be reported by the cashier with other tickets sold on Forms 28 and 15. In the cases in which the fare is paid in cash on the cars, it is rung up with other fares on the clock register and noted specifically on the day card in the space provided.

Employees' Deposits for Working Tools

Where the company furnishes employees with working tools, such as, in the case of a conductor, punch, badge, rule book, etc., all of which should be retained in the company's possession after the employee leaves its service, it has been found desirable to obtain \$5 each from conductors, and \$3 each from motormen to cover these articles.

The division superintendent upon employing a conductor sends him to the cashier to make a deposit of \$5 to be returned to him whenever he leaves the company's service on surrender of the deposit receipt. For this Form 24 is used, in books of a hundred provided with a stub.

The cashier banks the money received in this way with his other deposits, designating it as "receipts from conductors' and motormen's deposits." He will report the amount of these receipts on the regular miscellaneous earnings report, (Form 28) in detail, as provided on the form.

When Deposit Receipt Is Lost

If any employee leaving the service of the company reports that he has lost his deposit receipt, he should be required to fill out Form 25.

The portion certifying to the return of the company's property should be signed by the division manager. The receipt part should be signed by the conductor or motorman in the presence of a witness. The cashier can then return to the employee the amount of his deposit, holding this form as a voucher for the disbursement from his working fund and

THE WESSEX COMPANY		THE WESSEX COMPANY	
Stub of Employee's Deposit Receipt		EMPLOYEE'S DEPOSIT RECEIPT	
No. 16877	No. 16877	No. 16877	CONDUCTOR
191	191	191	MOTORMAN
Issued to.....	191	191	Received of.....
Conductor Motorman	191	191	the sum of..... Dollars, to be retained as security for and until
Amount \$.....	191	191	the return to The Wessex Company, upon the termination of his ser-
Deposit returned.....	191	191	vices with it, of Badge No..... Punch No..... and
Sent to Comptroller.....	191	191	Rule-Book No.....; and until the surrender of this receipt,
Local Cashier.	191	191	properly endorsed, and signed on the reverse side by the Superin-
	191	191	tendent of the..... Lines, and of all other property of
	191	191	the Company issued to him, or in his possession, and until the adjust-
	191	191	ing of his accounts with the Company.
	191	191	THE WESSEX COMPANY.
	191	191	Local Cashier.
	191	191	In consideration of the issuance to me of the articles of personal
	191	191	property described above, I agree to the retention by the Company of
	191	191	the sum mentioned, for all the purposes, and until the compliance by
	191	191	me with all the stipulations and conditions, described above.

Form 24. (a) Employee's Deposit Slip (face). Size, 10½ × 3½.

The Wessex Company	
.....191	
Local Cashier.....	Conductor Motorman
<p>THIS IS TO CERTIFY THAT.....</p> <p>has returned all property of the Company issued to him, and upon the adjustment of his accounts with the Company you may return to him the amount of his deposit.</p>	
..... MANAGER.	
<p>I hereby acknowledge receipt of.....Dollars from</p> <p>The Wessex Company, being the amount deposited by me with the Company as stipulated.</p>	
..... CONDUCTOR MOTORMAN	
Date.....	

Form 24. (b) Employee's Deposit Slip (reverse).

treating it as an original deposit receipt. It should be noted carefully on the stub of the original deposit receipt that the employee asserted the loss of the original receipt, and that the full amount of his deposit was repaid on such and such a date.

In issuing employees' deposit receipts, if an error should be made in filling out the form, the cashier should prepare another in its place and retain the cancelled form. He should attach this cancelled form to his next report to the comptroller's office, writing across the stub of the book the word "cancelled," and showing the date the cancelled receipt was sent to the comptroller's office.

....., 191....
Mr.....
Cashier.
This is to certify that.....Badge
No..... has returned all the property of the Company
loaned to him and you may return to him the amount of his
deposit.
.....MANAGER.
I acknowledge having received from The Wessex Company
.....Dollars (\$.....), being the amount de-
posited by me with the Company, as required.
.....
Employees receipt No..... issued to me on.....
has been mislaid by me, and I agree that if this receipt is ever
found I will return it to the Company, and I will save the Com-
pany harmless from any amount that may be required to be paid
by reason of the loss of this receipt No.....
.....
.....Witness

Form 25. Employee's Application for Duplicate Deposit Receipt.
Size, 8½ × 11.

Employees' Lunch Vouchers

When men are held for orders on the cars so as to prevent their going to their regular boarding places for meals the company usually furnishes them with a twenty-five cent lunch voucher, as per Form 26.

The operating department is provided with copies of Form 26 to be distributed to the various starters at the barns. The starters date and sign these forms as needed, filling in the employee's number. Whenever a crew is ordered to work past the time of going to their regular boarding places for meals the starters issue a voucher to each man. The conductors and motormen sign these lunch vouchers and obtain cash for them in two ways. They may hand them with their time slips to the timekeeper to be turned over to the cashier, who on pay day pays the men the amount called for by the lunch vouchers they have turned in during the week. Or the men may go to

the cashier's office at any time and receive cash in exchange for whatever number of lunch vouchers are due. This plan, besides enabling the men to get their money at any time during the week, saves time on pay day.

No. 246002 Issued to Motorman Date.....191..	THE WESSEX COMPANY Division LUNCH VOUCHER No. 246002 Upon presentation, three days after date, of this check, duly received, at the Cashier's office, a payment of TWENTY-FIVE CENTS will be made to Conductor NO..... Motorman NO..... Issued by.....	<div style="border: 2px solid black; padding: 5px; display: inline-block;"> 25c </div>
	Starter or Foreman RECEIVED PAYMENT Date.....191.. CONDUCTOR NO..... MOTORMAN NO.....	

Form 26. Lunch Voucher and Stub. Size, $8\frac{1}{2} \times 3\frac{1}{4}$.

Record of Lunch Vouchers

The lunch vouchers are made up in book form with a stub. The stub is to be filled out by the starters at the time they fill out the voucher, and at the end of each day the starters turn over to the division manager all books from which they have used any lunch vouchers during the day. From the stub upon Form 27 which is provided for his office and which shows the badge numbers of all conductors and motormen on the division, the manager takes off the total number of lunches furnished the men during the day. If the total shown is proper the manager approves the form in the space provided and turns it in to the cashier. This approved slip from the manager's office is the cashier's warrant for paying lunch voucher checks, provided that they are presented as required, namely, three days after date. These lunch vouchers should be punched with a conductor's punch as an adequate protection against cashing twice.

Form 27. Lunch Voucher Report. Size, 8½ × 14.

CHAPTER V

PASSENGER SERVICE—REPORTS AND RECAPITULATIONS

Passenger Business Cash Book

In connection with his various duties the division cashier should maintain two separate and distinct cash books. The first and larger records the daily receipts from the passenger service and sources incidental to that service. On the debit side of this book he should enter the amounts received from the passenger business during the day, noting what they were for and entering them in three columns: "Passenger Receipts," "Ticket Sales," and "Miscellaneous." "Miscellaneous" includes money for chartered cars, express labels, conductors' "shorts," etc. All money received from these minor sources should be entered in the cash book and deposited daily in the bank, if possible at the time when the money received from conductors for fares is deposited. On the credit side of the cash book the cashier should enter the amount deposited in the bank, giving the name of the bank and also the money paid to conductors for "overs." The amount of the deposit must of course agree with the bank advice sent to the company treasurer. This cash book should be balanced each day; the balance carried forward to the next day as cash in hand.

Working Fund Cash Book

In addition the cashier should maintain a working fund cash book.

Each cashier will receive from the company treasurer a small working fund to be used:

1. For the payment of wages of men who have been discharged and who should receive their money before the regular pay day.
2. For the payment of wages of employees who for some reason were not paid up to the date when the cashier was directed to return to the bank all unexpended pay-roll money.
3. For repayment to conductors and motormen, when they leave the service of the company, of the amounts of their deposits.
4. For payment of express and cartage bills when credit cannot be obtained and payment has to be made immediately.
5. For payment of items approved by the division manager in cases of emergency when the disbursement cannot be handled by regular bill and voucher.

The cashier should keep account of this working fund in a small special cash book. For the first two items mentioned above he is reimbursed by the weekly pay-roll check. (See page 190.) The fourth and fifth items refer to exceptional cases. Once or twice a year perhaps some emergency may require disbursements through the division working fund for such a reason, but it should not be a thing that happens every month. It is particularly objectionable to have the working fund voucher cover payments for material. Necessary material should be arranged for in the regular way through the purchasing agent's office. When disbursements must be made from this fund for such special reason, the cashier should be careful in every instance to obtain the written approval of the division manager and should report fully to the comptroller regarding the emergency which necessitates its payment through the working fund.

On the credit side of this cash book the cashier should

enter the disbursements daily, giving dates, names, and amounts. It is more convenient if he arranges, in showing the disbursements on the credit side, to include in the first column on the page the amounts which are to be included on the regular working fund reimbursement voucher, and in the second column the items which are reimbursed through the pay-roll or otherwise.

Emergency Cases

In emergency cases where it is necessary to take money out of the daily passenger receipts to increase the fund, the amount so withdrawn should be shown on the debit side of the working fund cash book and the disbursements therefrom in the regular way on the credit side. Then when the working fund reaches the point where it is possible to reimburse the receipts for the amounts withdrawn, the amount should be duly shown on the credit side of the working fund cash book under the date when it was transferred back to the receipts.

Following this procedure, the working fund book at the close of business every day will show the amount of cash that should be on hand in the division office for everything not covered by the general cash book, that is to say, for everything except the passenger receipts and the items included on Form 28. Like the regular cash book, the working fund cash book must be balanced daily.

Working Fund Statement

At the end of the month the cashier will balance the book, carry forward the balance to a new page, and immediately prepare a statement of disbursements on foolscap paper with columns ruled for dollars and cents. This statement should be headed as follows: "Disbursements from Working Fund of (Name of the cashier, title, location) for the Month of". Then should follow the date of each disburse-

ment, the name of the person to whom the money was paid, brief particulars, the amount and the account to be charged. The approval of the division manager should be obtained. To the statement should be attached the receipts covering these disbursements in the same way as they appear on the statement. The statement should be sent to the comptroller for voucher as soon after the first of the month as possible and in no case later than the fifth of the following month. This statement should be prepared in copying ink so that an impression may be taken of it.

At the end of each month a statement must be prepared for the disbursements, no matter how small they may have been. A payment to reimburse the working fund may be made twice a month if the cashier runs short of funds. It should be stated, by the way, that in the case of amounts advanced for settlement of damage claims, a voucher should be prepared immediately. The voucher is in favor of the person to whom the money has been paid, with a notation at the top of the voucher "Make check payable to" (here should be inserted the cashier's name and title).

The Period Report of Business

Besides the two reports sent to the comptroller's office daily, as stated on pages 35 and 36, the division cashier prepares a report of ticket sales and miscellaneous business on Form 28 four times a month, a monthly balance sheet, Form 29, and several other monthly reports, all based chiefly on the routine passenger business. Some of these, which are of a statistical nature, will be discussed in Chapter XXIII.

The period report (Form 28) is illustrated herewith. Each division cashier will make a report to the comptroller on this form at the close of business on the 7th, 14th, 21st, and last day of each month. The report will show the "com-

THE WESSEX COMPANY										
Division.....		Office.....		Report of Ticket and Miscellaneous Sales during period ending.....19.....						
TITLE OF TICKETS		NUMBERS								
		Commencing	V	Ending	V	Number of Books Sold	V	Rate	Amount	Class
All line	100 ride books							5.00		A
"	60 "							2.50		A
"	20 "							1.00		A
Pupils	40 "							1.00		B
	10 ride strips							.25		B
East Winton	60 ride books							4.00		E
Wainwright Lines	40 ride books							1.00		B
Pupils								.05		Exp.
Dog Permits										
Express Labels										
Advance Ticket Sales										
Chartered Car Earnings (A)										
Conductors and Motormens Deposits (A)										
Traffic Park Earnings										
Etc.										
						Total Miscellaneous Business				
						Grand Total				
On Reverse Side Show Detail of Items Marked "A"										
This report to be made out at close of business on the 7th, 14th, 21st and last day										
Checked.....19..... of each month and sent to the Comptroller promptly.										
By..... Local Cashier.										

Form 28. (a) Period Report of Business (face). Size, 8½ × 14.

mencing number" of every kind of ticket on sale at that office whether any sales are made or not.

If the cashier runs out of one series of numbers in the middle of the week and begins to sell the same kind of ticket from another series, he should show both series. This is done by entering the sales of the first series in the proper column and on the proper line for that class of ticket; then entering the sales of the same ticket from the other series on one of the blank lines under "dog permits," writing in the name of the ticket, the commencing number, the ending number, the number sold, the rate, and the amount.

Under no circumstances should any of the printed names be crossed out and the line used for inserting the name of another class of ticket, but all broken series should be shown on the blank lines.

The purpose of this is to prevent errors in the comptroller's office in classifying the ticket sales. In the last column of this form there are letters A, B, C, etc., indicating to what class each kind of ticket belongs, and much confusion may be caused if the sales of class B tickets, for example, should be reported on the line for class E tickets. But if reported on the blank lines they will be properly checked in the comptroller's office.

On the reverse side of this form, the details are to be shown. In this connection it should be noted that chartered car orders and conductors' and motormen's deposit receipts, which are to be reported in detail, should be reported always in consecutive order. Anything that might prevent reporting them in this manner should be noted in the space for remarks.

Division Cashier's Balance Sheet

Form 29 is intended to give a complete view of the transactions of the division cashier and the status of his account. At the top he should fill in the month, the name of the office, and the name of the division. In the column "Dr" on the line

"OUTSIDE" ACCOUNTING WORK

THE WESSEX COMPANY									
BALANCE SHEET OF LOCAL CASHIER FOR MONTH OF								191	
OFFICE						DIVISION			
DR.						CR.			
To Balance Due from Cashier last Month						By remittances made during month			
To amt. of Passenger Receipts-Form 16 (A)						By Bills Collectible requested			
To amt. of Tickets & Misc. Sales-Form 28 (A)									
TOTAL						By Balance due Company			
TOTAL						TOTAL			
DETAIL OF ABOVE BALANCE									
Passenger Receipts (B)									
" " (B)									
" " (B)									
Chartered Cars (C)									
Ticket Sales (B)									
Express Labels (B)									
Cond. and Mot. Deposits (C)									
Short List (B)									
Over List (B)									
TOTAL									
INSTRUCTIONS.									
<p>(A) Show details on reverse side (B) Show dates. (C) Show numbers. (D) This Balance Sheet must be sent to the Comptroller on or before the 6th of the following month (E) Cashier should retain pen copy. If the original is corrected in Comptroller's office and agreed to by Cashier, the same changes should be made on copy.</p>									
<p>I hereby certify that the above is a true and correct statement of my account with THE WESSEX COMPANY for the time specified. I also certify that I hold a working fund amounting to \$ _____ for use in this office, not included in above statement</p> <p style="text-align: right;">Cashier</p>									

Balance Sheet _____ Office _____ 191 _____									
DETAILS OF AMOUNTS WHICH ARE ON REVERSE SIDE									
REPORT OF BUSINESS				REMITTANCES AND CREDITS		REMARKS			
Daily Form 16		Weekly Form 28		Remittances to Treas.	Bills Requested				
1									
2									
3									
30									
31									
Remarks on Memoranda:									
Reverse side of above form									

Form 29. Division Cashier's Balance Sheet. Size, 8½ × 12.

"Balance Due from Cashier last Month," he should enter the balance reported by him at that time, subject to such adjustments and corrections as he has been advised of by the comptroller.

On the next line, "Amount of Passenger Receipts," he should enter the total of his Form 16 for the month. On the line, "Amount of Tickets and Miscellaneous Sales," he should enter the total amount shown by his Form 28 for the month.

Under the column "Cr" the cashier should enter on the line "remittances made during month" the amount of money so deposited in the bank or remitted direct to the company treasurer. This must agree with the statements on Form 8, bank's report to treasurer, and Form 7, cashier's report to comptroller.

On the line, "Bills Collectible requested," the cashier should enter the total amount of bills which he has requested the comptroller's office to issue during the month.

If there have been any special credits which the cashier has been authorized to take up, they are to be entered on one of the blank lines, specifying what they are and referring to the letter from the comptroller for authority for the credit.

On the line "Balance due Company" the cashier should enter the balance due the company at the end of the month, which will cause the total of the credit column to agree with the total of the debit column.

Under the heading "Details of Above Balance" should be given full particulars of what this balance consists of. In cases where the cashier uses two lines for items of the same nature, he should enter the amounts in the first column and carry out the total of each class of item into the second column. If there is only one item of each class, he will enter it in the second column. The grand total will be carried out into the third column.

At the bottom the cashier should enter the amount of his

working fund in the space provided and sign the balance sheet.

On the reverse side of the form should be entered the office and the date. In the column "Daily Form 16" the cashier should enter daily the amount of his receipts as shown by Form 16, subject to such corrections and adjustments as he is advised of from time to time by the comptroller.

In the column "Weekly Form 28" the cashier should enter the amount reported on that form as sent in to the comptroller's office weekly, subject to such corrections as he has been advised of from time to time. The total should agree with the entry on the front page.

Under the heading "Remittances to Treasurer" he should enter daily the amount of his deposit in the bank or his remittance to the treasurer. If there has been more than one deposit a day, so that he has more than one Form 7 for the day, he should enter each amount separately, writing in between the lines when necessary. The total of this column should agree with the item on the front page of the balance sheet.

In the column "Remarks" such comments as are needed to clear up doubtful points may be made.

The cashier should retain a copy of his balance sheet, sending the original to the comptroller's office. After checking the cashier's report, the comptroller makes such corrections as may be necessary, advising the cashier of the changes, and the cashier may make the same changes on his copy.

If the cashier, as he sends in his daily statements, enters daily upon a working copy the sales, reports, remittances and credits of his office, he will have his balance sheet practically ready to hand in at the last of the month.

Work in the Comptroller's Office

The work done in the comptroller's office in connection with the passenger business involves less minute detail than

that done in the division offices, but it is extremely important and requires an expert office force.

The data and the provisional reports sent in by the division offices must first be checked authoritatively. Then all this material must be summarized and digested into unified form for the general records.

Three daily reports, it will be remembered, come in from the division offices and one comes from the office of the general treasurer.

THE WESSEX COMPANY									
REPORT OF TICKETS COLLECTED									
DIVISION			OFFICE			MONTH OF			
CLASSIFICATION OF TICKETS									
Date									Total
1									
2									
3									
4									
5									
6									
29									
30									
31									
Totals									
Cash Values									

Form 30. Monthly Report of Tickets. Size, 13 × 13.

Counting the Tickets and Passes

The tickets and passes collected daily have been counted in the various offices and checked with the conductors' day cards and the register reports, sorted and counted again by

classes, and summarized for the comptroller's office daily on Form 15. In the comptroller's office they are now counted again and checked against Form 16. The number of tickets must agree with the entries on these two forms. In this connection the ticket counting machines referred to in Chapter XXII are of use.

When the entries of these forms have been found correct they are posted in a loose-leaf book, "Report of Tickets Collected," Form 30.

At the close of each month this book is totalled and balanced to find the value of all tickets collected on the various divisions. From this information a journal entry is prepared, charging Advance Ticket Sales account and crediting Earnings Railway Department, Account I, Passenger Revenue.

The following points should be observed:

1. Tickets and passes should be counted face up, as stated on page 37.
2. Any large differences between the division count and that of the comptroller's office should be taken up at once with the division cashier. All clerical work on the form should be checked.
3. All foreign company tickets which may have been turned in should also be entered on Form 30 as a basis for bills to be rendered against such foreign companies.

Register and Fare-Box Reports

The various register and fare-box reports must be checked and correlated. The copies of the barn inspectors' register readings which have been sent in from every division on Forms 12, 13, and 14, must be once more examined in the comptroller's office and the starting and ending numbers care-

fully checked so that every fare recorded is accounted for. They are then checked against the reports from the division cashier, namely: Form 16 and the cashiers' reconciliation reports, and with the register repair reports which have been sent out from the barns, as explained on page 44. Should there be any discrepancies an explanation must be obtained from the division office and the necessary corrections then made.

The routine of checking these register reports is as follows:

1. By verifying the starting readings with the previous report for each register.
2. By verifying the subtractions and totals.
3. By ascertaining that all fares are accounted for on the registers as shown on the reconciliation for registers of which the starting and ending readings are on different divisions.
4. By ascertaining that fares deducted as chargeable to other divisions are accounted for. Those unaccounted for should be entered under the following heading, "Memorandum of Fares to Be Accounted For."

MEMORANDUM OF FARES TO BE ACCOUNTED FOR

Date	Division	Register No.	From	To	Fares	Date	Reported
------	----------	--------------	------	----	-------	------	----------

5. By entering on the above form fares deducted in the reconciliation as applicable to subsequent days, on account of day cards turned in late.
6. By ascertaining that a repairs report, Form 18, has been received for deductions from registers which have been repaired.

7. By ascertaining that the fare-box adjustments equal total of adjustments as added to register report.
8. By comparing the net total of the register reports with Form 16.

The fare-box reports should be verified in the same way, noting points (1), (2), and (8) above.

Checking Daily Passenger Earnings

The daily report of passenger earnings, Form 16, must now be carefully checked:

1. By verifying the footing of the cash column of the grand total as follows: Prove the revenue passenger column by adding the passes, which should equal the total registered column. The total of the revenue column less the tickets, multiplied by five cents, should equal the cash column.
2. By comparing the registered cash of each line with the fare-box cash and ascertaining that each shortage is properly charged on the form. If any shortage is found not so charged, it should be entered under the heading, "Memorandum of Fares to Be Accounted For," as noted above, and the division cashier notified to make the charge.
3. By verifying the footings of the fare-box column.
4. By entering the totals on Form 32.

Checking Daily Reports of Cash

Reports regarding the money deposited by the division cashiers reach the comptroller's office daily from three sources: from the cashiers on Form 7, from the local bank on Form 8, and from the general treasurer on Form 31. The general treasurer reports the amount of money received daily from each cashier or agent.

These reports must all be checked daily in the comptroller's office and any errors or any discrepancies must be investigated at once. If the cashier's report indicates that any money has been withheld for emergency purposes, the clerk must make sure that a letter of authority was received and must enter a memorandum of the fact at the foot of the page

THE WESSEX COMPANY			
LIST OF LOCAL CASHIERS' REMITTANCES RECEIVED BY TREASURER			
.....191			
No.	NAME	AMOUNT	
	THE WESSEX CO.		
	New York		
	" "		
	" "		
	" "		
	" "		
	" "		
	Greensville		
	Ancaster		
	Hayesland		
	Total,		
	New York & Ancaster Ry. Co.....		
	The Danville Street R. R. Co.		
	Burton Street Railway Co.		
	Bellefield		
	North Park		
	Browning		
	Total,		
.....			
Treasurer			

Form 31. Treasurer's Report of Cashier's Remittance. Size
4½ × 11½.

on the remittance book (see page 89). When this money is subsequently deposited, the date of deposit should be entered against this memorandum.

When finally verified, the amount of cash deposited each day should be entered in a cash summary book.

Checking Period Report of Ticket Sales and Miscellaneous Business

The period report of ticket sales and miscellaneous business, Form 28, which comes in from the division offices four times a month, must be checked against the previous report to make sure that the tickets, etc., are being sold in numerical order, and after it has been verified the totals are posted in the summary of earnings book, Form 32. The method of checking is as follows:

1. The starting numbers of tickets, orders, etc., should be verified by the previous report and the card record of tickets, etc., for charges for any new series of tickets.
2. The date of sales and the starting and ending numbers of each series should be entered on a card record.
3. Subtractions, multiplications, and totals should be verified.
4. The report should be verified with the record of chartered car orders. In the case of chartered cars the numbers must be examined to see that they run consecutively, and checked against the report to see that they are all entered on the reports for the amount specified. The report must be checked clerically for additions, etc.
5. The cashier's stubs of conductors' and motormen's deposits, returned with Form 16, should be verified.

Checking Cashiers' Balance Sheets

The balance sheets of the division cashiers, which are sent in monthly, must be examined and verified. The clerk should note especially:

Whether the balance is in accordance with the balance as shown by the books in which the charge and

credits against the cashier are kept, known as the local cashier's ledger (see page 89).

The date when amounts due are deposited.

Whether more than seven days' short lists are due.

Additional suggestions regarding this checking are as follows:

The cashier's balance should, generally speaking, represent the business done on the last day of the month, together with any uncollected short lists. It should be examined carefully to see if the amount of the business done on the last day of the month, as finally ascertained, works out to the same amount as that shown by the balance sheet. Due allowance should be made for the fact that on account of Sundays and holidays a particular balance may represent two days' business.

The balance as sent in from the division cashier should be compared with a balance drawn off from the cashiers' ledger just mentioned upon a sheet of ruled journal paper. All additions and adjustments should be investigated and if necessary the matter should be taken up by correspondence or through the traveling auditor to adjust any difference. The statement as finally worked out should be totalled as to all its columns, signed by the clerk in charge, and turned over to be checked by the bookkeeper.

Detail Books Prepared in Comptroller's Office

From the above data and reports, four detail books summarizing the passenger business are made up in the comptroller's office.

1. Report of Tickets

This is a loose-leaf book (Form 30) posted daily and totalled and balanced at the end of the month to find the value of all

tickets collected in the various divisions. From this information a journal entry is prepared charging Advance Ticket Sales account and crediting Earnings Railway Department, Account 1, Passenger Revenue.

2. Summary of Passenger Business

The summary of reports from local cashiers of passenger business (Form 32) is a loose-leaf book, one page for each division.

The verified totals of Form 16 are entered in this daily, and the verified totals of Form 28 four times a month. At the end of the month a journal entry is prepared charging the local cashier and crediting the various earning accounts, namely: Passenger Revenue, Baggage Revenue, Chartered Car Revenue, Mail Revenue, or any other revenue in accordance with the Interstate Commerce Commission's Uniform System of Accounts.

In addition to the above summary, the cashiers' reports on Form 16 should be bound and filed in the comptroller's office.

3. Division Cashiers' Ledger

This is an ordinary columnar stock book and an account is opened for each cashier. Each account is started with the balance, as per the detail of the general books as of a certain date. At the end of the month the totals for each division, as shown on Form 32, are entered to the debit side of each cashier's account. The total amount so debited to the cashier's account should agree with the total as shown on the regular monthly journal entry.

4. Cash Summary Book

This is a book with a page for each month, and a separate column for the cashier of each division. Here is entered each

day the amount of cash which is banked or remitted for by the cashier according to Form 7, after it has been checked by the general treasurer's report. A point to note is that all cash remitted or banked by the local cashiers during each month according to the dates on Form 7 is credited to their account that month, notwithstanding that the general treasurer may not take the same into his account until the following month. The cash should be entered to the credit of each cashier in this cash summary book to agree with his Form 7. At the end of the month the columns of the summary book are totalled, and the journal entry made up crediting "Division Cashiers, Railway Department," and charging "Cash in Transit" with the proper amounts. A memorandum should accompany this journal entry showing the amounts which were credited to the cashiers in the cash summary book—but not taken up by the treasurer until the following month. This memorandum should show the name of the cashier, the date the remittance or deposit was made by him, the amount, and the date it was taken into the account by the treasurer.

The total of each column in the cash summary book is then posted into the division cashiers' ledger to the credit of the account. The total amount so credited to all the cashiers' accounts should agree with the amount of the journal entry referred to above.

Any special entries or adjustments that are necessary should be handled through the clerk in charge by the head bookkeeper so that every debit or credit made in the general books to the Division Cashiers' account will be handled through the division cashiers' ledger. At the end of the month this ledger should be balanced and started afresh.

Final Record of Passenger Business

The passenger business of the company, so far as the accounting department is concerned, results in a number of

journal entries, bills, and reports. The main entries to be made are:

1. A charge against Cash in Transit and a corresponding credit to Division Cashiers, prepared from Form 31.
2. A charge against Division Cashiers and a corresponding credit to Sundries, prepared from Form 32.
3. A charge against Advance Ticket Sales and a corresponding credit to Operating Revenue, prepared from Form 30.

To accompany each of these an analysis sheet is prepared.

There are also a few special journal entries called for by special features of the organization.

The journal entries should reach the bookkeeping department by the 10th of the month, the analysis sheets by the 20th.

There are various bills for chartered cars, ticket sales, etc., as reported by the division cashiers, and also special bills, for example, against foreign railway companies for tickets honored for passage on company lines.

Preparation of Statements

One other duty assigned to the clerks in charge of the passenger business is the preparation of certain statements for the convenience of the company management. These are:

1. Daily cash passenger earnings, showing daily and monthly earnings to date and a comparison with previous year. Send to chief clerk as soon as possible.
2. Seven days' cash passenger earnings ending Fridays. Showing seven days ending Fridays and month to date. Include tickets. Send to chief clerk for president by 11:30 A.M. Friday.
3. Passenger earnings, periods ending 7th, 14th, 21st, and 31st of each month. Showing passenger earn-

ings of month to date of these periods. Include cash tickets and chartered car orders. To statistician's office by 1 P.M.

4. Transfers collected. Monthly statements of transfers issued on various divisions. To head bill clerk each month.

Distribution of Work

The distribution of the passenger work among the staff of the comptroller's office who are working on this kind of work might be as follows:

Head clerk. Correspondence, journal entries, analysis sheets, card record of tickets, orders, etc.; verification and recording of fare-box changes; approval of all reports and statements prepared.

Clerk A. Recording of Form 16, remittances, cashier's balance, advance ticket ledger, date of deposit of amounts due on cashiers' balance sheets; preparation of bills and all reports and statements; filing of all records, etc.

Clerk B. Verification of portion of register reports and inter-division fares (all divisions); preparation of daily statements showing reconciliation of all divisions.

Clerk C. Verification of certain register reports; preparation of record of revenue tickets collected on various divisions.

Clerk D. Counting of tickets, all divisions; preparation of statements of tickets for all reports; verification of reports of passes issued by superintendent.

The above is given merely as an illustration of just how each kind of work can be put upon a regular schedule and then followed to a conclusion each day.

CHAPTER VI

EXPRESS AND FREIGHT SERVICE — LOCAL OFFICE ROUTINE

Organization of Express and Freight Service

With street railway companies the express and freight business is comparatively a new development, which has grown up usually in direct response to local needs and conditions. With a number of roads it has already come to be a very important line of work, and it seems likely to have a much wider development in the future.

The organization of the express and freight service, according to the system here described, differs markedly in one point from that of the passenger service. The passenger service is organized by divisions, a single division office gathering up the reports, etc., of many conductors and other employees and transmitting them with digests to the comptroller at the main office. The express and freight service is organized by stations, several of them perhaps in a division, and at each station there is an official who communicates directly with the company treasurer and the comptroller. So far as the accounting work for the express and freight service is concerned, the divisions are not considered at all except that the earnings and expenses are ultimately grouped and classified by divisions in the comptroller's office.

In the passenger service there is a special representative of the accounting department for every division, known as the division cashier. In the express and freight service the agent at each station attends both to the handling of ship-

ments and to the accounting work. At large stations, of course, the agent will have a staff of several assistants, including usually a cashier who reports more or less directly to the comptroller.

Classification of Express and Freight Shipments

Express and freight shipments, according to the system here described, are grouped into five classes: (1) Freight, (2) Express, (3) Class C, (4) Class B, and (5) Milk.

1. Freight refers to shipments neither collected from the shipper nor delivered to the street address of the consignee, but merely carried from one station to another.
2. Express refers to shipments that are both collected and delivered.
3. Class C refers to shipments that are collected by motor service at the shipping end but not delivered.
4. Class B refers to those that are delivered but not collected.
5. Milk shipments are in a class by themselves and are so designated by the Interstate Commerce Commission.

Certain differences of treatment will be indicated further on, but in the main the procedure is the same for all these classes. The more modern practice with a great many companies is to have only two classes, express and milk, as almost all street railway companies move freight in the same manner as express.

Outgoing Merchandise—Bill of Lading

When freight or express is brought into the station a bill of lading is made out and signed by the company's representative and given to the shipper as his receipt. If the shipper pre-

fers he may use his own form, the standard bill of lading, printed with his name. The forms provided by the company are these:

- Form 33—Small bill of lading
- “ 34—Large bill of lading
- “ 35—Special bill of lading for drop-off points
- “ 36—Bill of lading for valuable packages

The original is usually given to the shipper, and if the shipper uses his own bill of lading he is supposed also to retain the original, but this is not always practicable. Sometimes the original is retained by, or given to, the company and the carbon copy is kept by the shipper. These bills of lading are turned over to a price clerk who marks on them the charges, after which they are turned over to the billing clerk, who makes out the way-bills in duplicate. The original way-bill goes with the shipment and the duplicate is retained in the office for checking purposes and the files. In no case should a shipment be received without a receipt being given for it.

<input type="checkbox"/> Read conditions of contract on other side of this receipt, to which shipper agrees by accepting this receipt				
THE WESSEX COMPANY				
(EXPRESS DEPARTMENT)				
Received the following articles in apparent good order				
DATE	ARTICLE	CONSIGNEE	DESTINATION	SIGNATURE

Form 33. (a) Bill of Lading—Small (face). Size, $8\frac{1}{2} \times 5\frac{1}{2}$.

CONDITIONS

Which we undertake to forward to the nearest point of destination reached by this company, subject expressly to the following conditions, namely: This company is not to be held liable for any loss or damage, except as forwarders only, nor for any loss or damage by fire, by the dangers of navigation, by the act of God, or of the enemies of the Government, the restraints of Government, mobs, riots, insurrections, pirates or from or by reason of the hazards or dangers incident to a state of war. Nor shall this company be liable for any default or negligence of any person, corporation or association to whom the above described property shall or may be delivered by this company, for the performance of any act or duty in respect thereto, at any place or point of the established routes or lines run by this company, and any such person, corporation or association is not to be regarded, deemed or taken to be the agent of this company for any such purpose, but on the contrary, such person, corporation or association shall be deemed and taken to be the agent of the person, corporation or association from whom this company received the property above described, it being understood that this company relies upon the various railroad and steamboat lines of the country for its means of forwarding property delivered to it to be forwarded, it is agreed that it shall not be liable for any damage to said property caused by the detention of any cars, train of cars, or of any steamboat upon which said property shall be placed for transportation; nor by the neglect or refusal of any Railroad Company or Steamboat to receive and forward the said property.

It is further agreed that this company is not to be held liable or responsible for any loss of or damage to said property or any part thereof, from any cause whatever, unless in every case the said loss or damage be proved to have occurred from the fraud or negligence of said company or their servants, nor in any case shall this company be held liable or responsible, nor shall any demand be made upon them beyond the sum of FIFTY DOLLARS, at which sum said property is hereby valued unless the just and true value thereof is stated herein, and an increased charge paid for the transportation thereof, nor any property or thing unless PROPERLY PACKED AND SECURED for transportation, nor upon any FRAGILE FABRICS unless so marked upon the package containing the same nor upon any fabrics consisting of or contained in GLASS. In no case shall this company be liable for any loss or damage unless the claim therefor shall be presented to it in writing, at this office within SIXTY DAYS after this date, in a statement to which this receipt shall be annexed. If any sum of money besides the charges for transportation is to be collected from consignee on delivery of the above described property and the same is not paid within thirty days from the date hereof, the shipper agrees that this company may at its option return said property to him at the expiration of that time, subject to the conditions of this receipt, and that he will pay the charges for transportation both ways, and that the liability of this company for such property while in its possession for the purposes of making such collection, shall be that of Warehousemen only. And it is further agreed that this company shall not be liable for any loss of, or damage to BAGGAGE, addressed to Railroad, Steamboat or Steamship lines, after the same has been left at THE USUAL PLACE OF DELIVERY to such lines. THE PARTY ACCEPTING THIS RECEIPT HEREBY AGREES TO THE CONDITIONS HEREIN CONTAINED.

FOR THE COMPANY

☒ Read conditions of contract on other side, to which shipper agrees by accepting this receipt

THE WESSEX COMPANY
(EXPRESS DEPARTMENT)

Received the following articles in apparent good order
From.....19

ARTICLES	CONSIGNEE	DESTINATION

For the Company.....

Form 34. Bill of Lading—Large. Size, 9 × 15. (Conditions appearing on reverse of this form are the same as those appearing on reverse of Form 33.)

☒ Read conditions on other side of this receipt, by which this shipment is covered and to which the shipper agrees by accepting this receipt.

THE WESSEX COMPANY
(EXPRESS DEPARTMENT)

Special Bill of Lading Covering Shipment of Goods to Stations at Which This Carrier Maintains No Agent or Facilities for Protecting Delivery.

Received the following articles in apparent good order
From191..

DATE	ARTICLE	CONSIGNEE	DESTINATION	SIGNATURE

Form 35. (a) Special Bill of Lading (face). Size, 8½ × 5½.

"OUTSIDE" ACCOUNTING WORK**Conditions of Special Contract Governing the Transportation and Delivery of This Shipment**

The Wessex Company undertakes to forward this shipment to the nearest point of delivery set forth on the face of this receipt or to the nearest point of destination reached by this company, subject expressly to the following conditions, namely: This company is

(First two paragraphs of conditions are the same as on reverse of Form 33.)

It is expressly understood by the Shipper that these goods are consigned to a station at which this company maintains no agent or other employees, and at which it maintains no station platform or facilities of any sort for the reception or protection of goods consigned thereto, and, in consideration of the company's accepting this shipment for transportation to such point the shipper agrees that delivery shall be deemed to have been accomplished by the company when the goods have been deposited by the company alongside the rails or roadbed of the company, and the shipper will not hold the company responsible for failure to maintain an agent or delivery facilities at this point and expressly relieves the company from all liability for loss of or damage to the shipment unless it be shown that such loss or damage occurred prior to or at the time said goods were deposited alongside the rails or roadbed of said company at the point named as destination. **THE PARTY ACCEPTING THIS RECEIPT HEREBY AGREES TO THE CONDITIONS HEREIN CONTAINED.**
FOR THE COMPANY.

Form 35. (b) Special Bill of Lading (reverse)—Conditions.

**READ THE CONDITIONS OF THIS RECEIPT
NOT NEGOTIABLE****THE WESSEX COMPANY
EXPRESS DEPARTMENT**

.....19

Received of.....

.....said to contain.....

Valued at.....Dollars

Marked

Which we undertake to forward to the nearest point of destination reached by this company, subject expressly to the following conditions, namely: This

THE USUAL PLACE OF DELIVERY to such lines. THE PARTY ACCEPTING THIS RECEIPT HEREBY AGREES TO THE CONDITIONS HEREIN CONTAINED.
FOR THE COMPANY.

Form 36. Bill of Lading for Valuables. Size, $8\frac{1}{2} \times 5\frac{1}{2}$.
(Conditions same as those appearing on reverse of Form 33.)

Incoming Merchandise—Delivering Shipments

The agent must be alert or the freight station will become congested with freight on hand. The freight must be disposed of as soon as possible and it is sometimes desirable to notify consignees that certain freight and express shipments have arrived at the station for them. For this purpose a printed post card, Form 37, is used.

<p style="text-align: center;">THE WESSEX COMPANY EXPRESS DEPARTMENT</p> <p>.....,191....</p> <p>The following freight has been received at this station consigned to you from.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>and while on premises of Company, will be held at your sole risk of loss and damage.</p> <p>If not removed, this Company will, at the expiration of twenty-four hours, assess a storage charge.</p> <p>This Company reserves the right whenever it finds it necessary in the transaction of its business to place said freight in public storehouse at sole risk and expense of owners and subject to lien for all freight and other charges, after one day from time freight is unloaded.</p> <p>This Company does not undertake to give notice of arrival of freight. Whenever a notice is sent it is solely for convenience.</p> <p>Bring this notice with bill of lading when calling for consignment.</p> <p>.....Agent</p>

Form 37. Freight Notice Post-card. Size, $3\frac{3}{4} \times 5\frac{1}{2}$.

After this notice has been served the company of course has the right, as is stated on the post-card, to charge storage when the regular time that a shipment may remain at the freight station has expired.

When shipments are taken from the freight houses by consignees, as is the usual case, the consignee must receipt for them on Form 38. (See also page 117.)

M. _____ Station _____				CASHIER'S CHECK	
Address _____ 191				CONSIGNEE	
Pro. No. _____	Car No. _____	Received of THE WESSEX COMPANY in apparent good order		Month _____ 191	
		Unless otherwise noted, the following goods:		Pro. No. _____	
Transported from _____		W.B. No. _____	Date _____		
Shipper	No.	Articles	Weight	Rate	Charges
Delivered _____ 191			(Sign Here)	Advances	
DELIVERY CHECK By _____			For Consignee	Total	
				Carriage	

Form 38. Freight Receipt. Size, 4 × 8½.

When shipments are delivered by team the driver must obtain the signatures of the consignees on the driver's sheet (Form 39).

When it is necessary to give a receipt for money Form 40 is used.

In no case should goods be delivered by the driver without receiving payment unless credit has been duly granted by the agent as provided on page 119. If the consignee cannot pay, the goods must be brought back to the office.

Refused Shipments

Whenever consignees refuse shipments the agent at the receiving station should request the agent at the forwarding

Writer.....			Caller.....			Delivered by.....			Sheet No.....			Book No.....		
Office.....			Date.....			191								
Received from THE WESEX COMPANY, EXPRESS DEPT., in Good Order the Following Articles Set Opposite Our Respective Names:														
Articles	C. O. D. or Value	From Consignor	Town	Way-bill No.	Date	Consignee	Destination Street and Number	Advance Charges	Total To Collect	By Whom Received	Delivered Date	Time	Drivers Check	
										1				
										2				
										3				
										4				
										5				
										6				
										7				
										8				
										9				
										10				
										11				
										12				
										13				
										14				
TOTAL COLLECTED														

.....Office, State of.....19	
M.....	
To THE WESSEX COMPANY, Dr. (EXPRESS DEPARTMENT)	
For transportation of.....	} Our Charges..... Advanced Charges..... Amount of C. O. D..... Total \$.....
From..... State of.....	
W-B No.....Date.....Weight.....	
Shipped by.....	Received Payment.....
For The Wessex Co. Express Department.	

Form 40. Receipt for Money. Size, $8\frac{1}{4} \times 3\frac{1}{2}$.

station to obtain a written disposition order from the consignor. This order should be filed as part of the original bill of lading given to the consignor when he made the shipment. As soon as the forwarding agent obtains this written order, he should notify the receiving agent, who will handle the shipment in accordance with the shipper's instructions. If the shipper wishes the shipment returned to the forwarding point, the agent making the return should bill the shipment back with the original charges, plus the return charges. When making such billing reference should be made to the original billing.

Money Deposited Daily in Bank

All money received during the day at each station is deposited daily in the bank and notice is sent to the comptroller's office on Form 7.

In towns where the company does not maintain bank accounts agents should not deposit company money to the credit of their personal accounts and then remit personal checks to the company in settlement for the business at their stations. Money collected by them for the company must be

sent on to the company treasurer. They may, however, accept checks from customers when there is no question as to the customer's responsibility.

Way-Billing Freight and Express

After being carefully checked with the shipments the bills of lading are copied upon way-bills, similar to that here shown (Form 41). A larger size, 17 inches by 9 inches, is also used. The left half of the sheet gives a description of the articles shipped, the name of consignor and consignee, and specifies the charges due. The right half of the sheet is for checking by the company employees through whose hands the shipment passes.

As soon as prepared, the way-bills are carefully footed, made into bundles for the various points, and sent on with the shipments. Among other shipments to be way-billed are the reports to the comptroller's office, which should be sent dead-head, plainly marked "D. H.," and showing the forwarding station.

Express labels (Form 42) should be pasted on all express matter. They will show the amount of prepaid charges if the shipment is to go forward paid, or else the amount to be collected.

EXPRESS	
Paid	} Collect

Form 42. Express Label. Size, $3 \times 2\frac{1}{2}$.

C. O. D. Packages

All C. O. D. packages, and all valuable packages such as jewelry or furs, whose value is greater than that of shipments

THE WESSEX COMPANY EXPRESS DEPARTMENT										Way-Bill and Delivery Sheet for C.O.D's and Valuable Packages Class _____ 1st Mess _____ 2nd Mess _____									
FROM _____		TO _____		DATE _____		191____ NO. _____		TIME _____		M. VIA _____									
ARTICLE	Weight	Rate	C.O.D. or Value	CONSIGNOR	CONSIGNEE	Advance Charges	Express Charges	Total to Collect	Received in Good Order the Articles set opposite our Respective Names	DELIVERED		Express Collected	Prepaid	Remarks and Driver's Checks					
										Date	Time								
									1										
									2										
									3										
									4										
									5										
Totals																			
Above Shipments Delivered by _____																			
All Shipments of C.O.D's or Valuable Packages Should be Forwarded as Express Matter.																			

Form 43. C. O. D. Way-Bill and Delivery Sheet. Size, 5 x 16.

accepted in the ordinary course of business, should be written up on a way-bill such as Form 43.

A C. O. D. label is provided (Form 44). One of these labels filled out in accordance with the instructions printed thereon should be pasted conspicuously on C. O. D. packages when they are received for shipment. In no case should a C. O. D. package or shipment go forward without this label. Another such label should be pasted on the lower left-hand corner of the C. O. D. way-bill.

THE WESSEX COMPANY EXPRESS DEPARTMENT C. O. D.	
\$.....	
Return Charges to be Paid by.....	
<small>Employee receiving must enter in above blank space the amount of C. O. D. and whether shipper or consignee is to pay return charges on collection, pasting label on C. O. D. shipment at the time of receipt. Agents at destination must make remittance of C. O. D. collection to shipper or agent at shipping point within twenty-four hours after collection.</small>	
Name and address	}
of shipper	}

Form 44. C. O. D. Label. Size, 4 × 3.

Messengers, billing clerks, and all others interested should be instructed that under no circumstances should a shipment covered by one of these way-bills go forward without being accompanied by the bill. Messengers in charge of cars upon which shipments are forwarded should see that the way-bill accompanies the merchandise shipped and that the billing and

C. O. D. Register

[illegible]

Form 45. C. O. D. Register. Size, 11 × 14.

Under no circumstances should a C. O. D. shipment be delivered unless the amount due is collected at the time of delivery. Checks should not be accepted in payment for such shipments unless certified by a bank. When a shipment is sent C. O. D. the amount should be collected in currency and

so remitted to the consignor. If the consignee fails to produce the amount in cash or a certified check at that time, the goods should be brought back to the station and the forwarding agent promptly notified, so that he may take up the question of disposition with the consignor.

Where the shipper of C. O. D.'s wishes to change the consignee, or have the C. O. D. reduced, or to have the consignee relieved of charges, or where the entire amount to be paid is received, the forwarding agent should approve the instructions and then way-bill them through. The receiving agent will return the original bill, envelope, etc., free of charge to the forwarding agent.

A statement of all outstanding C. O. D.'s should be sent to the comptroller's office with the regular report (Form 28) at end of each period.

"Over, Short, and Damaged" Reports

In case a shipment does not tally with the way-bill or is in any way defective, the receiving agent should issue an "Over, Short and Damaged Report" on Form 46.

The following instructions printed on the back of this form must be observed exactly.

RULE 1. These reports should be made in triplicate, sending the original to the forwarding station, a copy to the Comptroller and retaining the triplicate. They should be numbered commencing with No. 1, and continuing in numerical order until advised by the Comptroller to commence new numbers. If you do not get your report back within four days report the fact to Comptroller's office together with copy of original report, attaching copy of billing.

All shorts, overs, etc., must be immediately reported in the above manner to the forwarding station, sending a copy of the report as stated to the Comptroller.

RULE 2. You will make proper notation on copy, showing what is done with papers when they leave your office. They will be called for in many cases to be attached to claims, in which case you will show our claim number and date attached. If the matter has been adjusted

THE WESSEX COMPANY Express Department REPORT OF FREIGHT Over, Short, Damaged, Refused or Unclaimed				
Commence with No. One.				
<div style="border: 1px solid black; padding: 2px;">Agent's No.</div>	<input checked="" type="checkbox"/> This report must not be regarded as an excuse for neglecting to use all other known means of rectifying errors.		<div style="border: 1px solid black; padding: 2px;">General Office No.</div>	
..... STATION, .....191 The following freight is.....at this Station from Car No.....Messenger.....Time..... Way-Bill No.....from.....Station,.....191				
As Way-Billed As Received	Consignee and Destination	Articles Way-Billed	All Marks	All Notations on Way-Bills
All Marks	Articles Received	Articles Over or Short—Nature and Extent of Damage		
REMARKS:				

Form 46. Over, Short, and Damaged Report. Size, 8 × 10½.
 (Reverse of form gives space for Station, Agent's No., and Date, also the instructions which are shown on page 108.)

you will mark "O. K." on copy and show full particulars as to how and when adjusted, filing report in usual manner.

RULE 3. This report must be made at once and sent to forwarding agent. In case freight is over and forwarding agent cannot be located, then send the report to this office, noting thereon "cannot locate forward-

ing agent." Forwarding agents will make necessary notations as to their record and return report at once to receiving agent who will file same in his office in numerical order, provided the matter has been adjusted. Otherwise continue investigation until matter is adjusted, or until it becomes necessary to send all papers to the Comptroller for further investigation.

RULE 4. Articles over (less than carloads) which are plainly marked should be promptly forwarded to destination by the nearest natural route (unless marks on package show a different route) and a regular way-bill made for same, showing no weight or charges, but being particular to note on face of way-bill, "Astray Freight," and refer to O. S. & D. No. Deliver only upon proper proof of ownership.

RULE 5. Consignees should be notified of articles over which plainly belong at the station at which they are unloaded and such property may be delivered if consignee shows proper proof of ownership, but care must be exercised to collect sufficient money to cover the probable amount of freight and charges. Agent will then take immediate steps to secure the regular revenue way-bill.

RULE 6. Articles reported short, which are received after a claim for their value has been presented, must not be delivered to consignee until the Comptroller has been communicated with.

RULE 7. Report of unclaimed or refused freight must be made immediately after agent has ascertained cause for same, and, whenever practicable, forwarding agent must promptly notify the shipper and request disposal orders.

RULE 8. Agents will be considered personally responsible for any loss resulting from failure to comply fully with these instructions.

When issuing an O. S. & D. report the agent should specify also the class of merchandise (see page 94) to which the way-bill in question belongs.

Investigating O. S. & D. Reports

When an agent receives from another station an O. S. & D. report, he should enter the particulars in a record book (Form 47).

This record should provide for the following:

1. Date O. S. & D. report received
2. Date and number of O. S. & D. reports and from where received

III

- [illegible]

In column "No." should be entered the number of "short" notices received. Under "Report from" the name of the station forwarding the report and the date of the report should be entered, using one column for the name of the station and

one for the date. In the next three columns should appear the forwarding station, the way-bill number, and date.

A record is also made of the car number, the consignee, the destination, and the article. The columns "No. Billed" and "No. Received" show any difference between the shipment as received and the way-billing. Columns "Report to" and "Date" show the record of papers, etc., if sent to other agents or other parties for investigation. Column "Report returned" is the record of the date when the report is returned to the agent issuing it, and the name of the station to which the report is returned.

Way-bills to be Abstracted

All way-bills must be abstracted, moreover, in regular form, whether correct, "over," or "short." When abstracting way-bills for which they have issued an "over" report agents will make reference on their abstract to the number of this "over" report. With way-bills which are "short" the charges may be reported on the abstract as uncollected.

Agents should remember that the comptroller must be notified promptly of the disposition of all "shorts." If a claim is presented to the agent it should be turned over to the comptroller immediately with all available information.

Issuing Agent's Corrections

When an agent finds it necessary for any reason to report changes and corrections in a way-bill he should issue Form 48.

This form is made in triplicate, the original being sent to the comptroller and the duplicate to the agent whose way-bill is corrected. The agent receiving the duplicate will, if it is found correct, sign and forward it to the comptroller. If erroneous, he will forward it to the comptroller with his reason for non-acceptance. The tissue copy is retained by the agent making the correction.

Agent's No.....	ORIGINAL	Comptroller's No.....
THE WESSEX COMPANY EXPRESS DEPARTMENT		
Comptroller	Head Office,	Station.....191....
and Agent at.....		
Dear Sir:—I have made the following corrections on Way-Bill		
No..... from.....	to.....	
dated.....191....		

WAY-BILL READS PREVIOUS TO CORRECTION:								
No. of Car	Consignee and Destination	Art.	Wt.	Rate	Frt Chges.	Adv. Chges.	Amt.to Collect	Prep.

Tot. Footings Way-Bill

WAY-BILL READS AFTER CORRECTION.								
No. of Car	Consignee and Destination	Art.	Wt.	Rate	Frt Chges.	Adv. Chges.	Amt.to Collect	Prep.

Tot. Footings Way-Bill

I have found the above charges correct,
 and have corrected my accounts accordingly.
 Agent }
 Agent

This Correction Sheet must be sent IMMEDIATELY to the Office of Comptroller.

(Duplicate)

This Duplicate Correction Sheet must be sent IMMEDIATELY to the Agent as per direction No. 2, in front of Book, and original of the same Form must be sent IMMEDIATELY to the Office of the Comptroller.

The Agent receiving this sheet will, if it is found correct, sign and forward same to Comptroller; if erroneous he will forward to Comptroller, with reason for non-acceptance.

Form 48. Agent's Correction of Way-Bill (in triplicate). Size, 8½ × 10¼. (Triplicate is a tissue copy, and is headed "Agent's Copy." At bottom of triplicate is noted: "This copy to be retained by Agent issuing it.")

It should be noted here that it is the duty of the receiving office, the "destination office," to verify the charges entered upon way-bills. If a way-bill is not filled out according to the tariff, whether the shipment is collect or prepaid, the destination agent will correct it and promptly issue an agent's correction on the office making the error.

Tracers

All companies that handle a large volume of freight and express have had the experience of losing shipments. To find such shipments the following tracer (Form 49) is provided.

These tracers should be attended to immediately by all agents.

THE WESSEX COMPANY EXPRESS DEPARTMENT		
	.....191....	
TRACER	ANSWER AT ONCE	IMPORTANT
On		
.....Shipped to.....		
.....		
Is reported short at destination. Please make a careful search of your station, and also over delivery records, and advise on this sheet if you can close this shortage.		
		..... Agent.
TO AGENTS:		
.....		
.....		
.....		

Form 49. Tracer. Size, 8½ × 11.

CHAPTER VII

EXPRESS AND FREIGHT SERVICE — LOCAL OFFICE SUMMARIES AND SPECIAL WORK

Settling Sheets

At each station the way-bills, both those forwarded and those received, will be written up daily on settling sheets. For outward way-bills Form 50 is used, and for inward way-bills Form 51.

One of these large sheets is filled in with the station name and the date; then after the copies of the forwarded way-bills are in shape, all those of one day grouped together, one of the clerks starts writing up or filling in the settling sheet. The station to which the shipment goes is written in; the number of the way-bill and the total of the way-bill are put down. Then the amount of money paid in advance is entered. If the shipper has a credit account and is to prepay charges, his name or number is put down. All other way-bills are recorded in like manner. At the close of the day the sheet is totalled, a summary made, and all totals are posted to the proper ledger accounts.

All outward way-bills should be written up on settling sheets from the carbon copies the day after they have been issued.

Inward way-bills should be written up in the same manner the day they are received. They should show the forwarding point, the way-bill number, the "collect" footing, and the person or persons chargeable. When all way-bills have been written up the settling sheet should be footed and a recapitu-

THE WESSEX COMPANY EXPRESS DEPARTMENT										STATION _____ DATE _____ 191____ INWARD WAY-BILL SETTLING SHEET		_____ (Agent or Clerk)			
WAY-BILL FROM NO.	WAY-BILL TO NO.	1	2	3	4	PAID THROUGH	SHORTS	ADVANCE CHARGES/ACCOUNTS	RECAPITULATION	AMOUNT					
THE WESSEX COMPANY EXPRESS DEPARTMENT												STATION _____ DATE _____ 191____ OUTWARD WAY-BILL SETTLING SHEET		_____ (Agent or Clerk)	
WAY-BILL TO NO.	WAY-BILL FROM NO.	1	2	3	4	PAID THROUGH	SHORTS	ADVANCE CHARGES/ACCOUNTS	RECAPITULATION	AMOUNT					
Paid Through Shorts Advance Charges Change Accounts Total RECAPITULATION Payments Amount															
Total Debit Credit Amount															

Form 50. Outward Way-Bill Settling Sheet. Size, 17 X 22.
 Form 51. Inward Way-Bill Settling Sheet. Size, 17 X 22.

lation made in the column provided, showing the distribution of charges, as previously explained.

Posting Settling Sheets to Ledger

The amounts which appear in the recapitulation column of the settling sheets should be posted on the debit side of the station ledger against the proper accounts, showing the date and specifying outward and inward business by the letters "O" and "I" respectively.

All cash transactions in the local office should be entered in the station cash book daily and posted into the ledger to the proper accounts.

Issuing Bills and Collecting

The agent has also the duty of issuing bills for express shipments to credit customers and of collecting them. In the case of bills issued to consignors for outward shipments the bills of lading should be checked against the forwarded way-bill and the amount of charge put on the bill of lading. Then the agent will issue Form 52, specifying the date of shipment, the articles sent forward, the destination, and the amount of charges as way-billed.

In the case of bills issued to consignees for incoming shipments Form 53 is filled out from the incoming way-bills. To this is attached a copy of the freight receipt (Form 38) showing the consignee, the forwarding point, the way-bill number, the date, the articles received, and the amount of charges.

The amount of outward and inward shipments as shown on Forms 52 and 53 should agree with the amounts set up in the ledger.

All bills should be collected weekly by the local office unless the customer is privileged with monthly credit.

Form 52. Bill for Outward Shipment. Size, 8½ × 8½.

Form 53. Bill for Inward Shipment. Size, 8½ × 8½.

Credit to Shippers

Credit should be extended only upon the authority of the comptroller's office. When an application for credit is received by an agent the request should be forwarded to the comptroller's office, together with all the information obtainable offhand concerning the financial standing of the applicant, the location of his home office if not in the town, and an estimate of the amount of his weekly business with the road. Upon receipt of this information the standing of the applicant will be looked into, and the agent will then be advised whether or not to extend credit to the applicant. All extension of credit not authorized by the comptroller's office is charged to the agent's account, and he is held responsible for the money involved.

Credit should be extended only for one week. No departure from this rule should be made, unless specifically authorized by the main office. Bills should be rendered on the 7th, 14th, and 21st, and last day of each month, so far as possible. In cases where the consignees prefer to have the bills on a regular day of each week, such as Saturday, their request should be complied with. Payment is required within one week after the bills are rendered.

Report of Unpaid Bills

If the bills are not paid within the allotted time, a report of that fact should be made to the comptroller's office on Form 54. This will show the date and name of the station, the ending date of the week for which the bill remains unpaid, the full name of the party, the date the bill was rendered, the amount of the bill rendered, and the reason for non-payment. This report should be signed by the agent.

The report for the week ending the 7th of each month should be forwarded on the 15th; the report for the week end-

THE WESSEX COMPANY				
(EXPRESS DEPARTMENT)				
..... station .....191				
To the Comptroller,				
Head Office:				
Report of Unpaid Authorized Credit Accounts				
Week Ending	NAME	Date Rendered	Amount	Reason for Non Payment

Agent.

NOTE—Report for week ending 7th of each month should be forwarded on the 15th.
 Report for week ending 14th of each month should be forwarded on the 22d.
 Report for week ending 21st of each month should be forwarded on the 1st of the following month, and report for the period ending the last day of each month should be forwarded on the 8th of the following month.
 Each report should include all unpaid accounts for previous week, showing each week separately. Bills unpaid, account of disputed rates or other causes should also be reported, and if referred to other departments for adjustment, give date referred, way-bill date and number.

Form 54. Unpaid Credit Accounts. Size, 8½ × 14.

ing the 14th should be forwarded on the 22nd; for the week ending the 21st, on the first day of the following month; and for the period ending the last day of each month, on the 8th of the following month. Each report should include all unpaid accounts for the previous week, showing each week separately. Bills unpaid on account of disputed rates or other causes should also be reported, and if referred to other departments for adjustment, the date when referred should be stated, with the way-bill date and number. In case of failure to notify the comptroller's office of delays in payment, or if credit is granted without authority, the agent is held responsible for any loss which may be sustained.

Extending and Withdrawing Credit

Credit should be withdrawn at any time when the agent thinks it is no longer safe to continue it. In the event that immediate action is necessary, he should notify comptroller's office at once. If there is time and opportunity to report the matter by letter, it is better to take that course before discontinuing the credit.

The agent should also advise promptly of changes made in the name of any concern for which credit has been authorized.

The comptroller's office furnishes a list of concerns to which credit has been extended. A circular letter of instructions and a list of credit accounts referred to should be filed together in a convenient place for ready reference, and should be produced for the inspection of the traveling auditor when checking the accounts. Changes authorized from time to time by the home office should be entered on the list, and the letter of authority attached thereto.

Abstracting Way-Bills

Besides entering way-bills on the settling sheets the agent must send an abstract of them once a period to the comptroller's office. Forwarded way-bills are sorted and abstracted daily on Form 55 according to class order, namely, "Freight," "Express," "Class C," "Class B," and "Milk"; and in numerical order.

Received bills are abstracted at the end of each period according to classification, division, date, and station order on Form 56.

Both abstracts should show the total amount of collect and prepaid footings as shown upon the way-bills.

A special sheet should be used in reporting delayed way-bills, which should be headed "Way-bills Applying on Previous Period." Such way-bills, however, should be abstracted

in the regular manner and carried forward to the total of the current recapitulation sheet.

A special "forwarded abstract" should be made showing all charges for storage on outward shipments and a special "received abstract" showing all such charges for inward shipments. These storage abstracts should give all the information called for on the regular abstracts made up at every period and in addition should show the date the shipment was delivered. The total amount of storage charges should be entered on the balance sheet under the title of storage.

Agents' Period Balance Sheets

Four times a month, namely, at the close of business on the 7th, 14th, 21st, and last day, the agent must send to the comptroller's office a balance sheet for the period (Form 57).

The balance sheet should show on the debit side the amounts of all collections made during any given period, namely, advance charges on received way-bills, charges collected on received way-bills, and charges prepaid on forwarded way-bills. The credit side should show the amount of advance charges paid on forwarded way-bills during the period, the remittances, the amounts outstanding on credit accounts, the cash on hand, and such suspense accounts as are authorized by the comptroller.

Special Duties of Local Agents—Advance Charges

In addition to the routine procedure above described for the local express offices a few matters of more special nature sometimes come up.

Handling shipments with advance charges to be collected is always troublesome. The following rules should be strictly observed.

1. When the local agent advances money on a shipment

THE WESSEX COMPANY EXPRESS DEPARTMENT AGENT'S BALANCE SHEET				
.....Agent at.....Office				
Balance Sheet for.....days ending.....191....				
DEBITS				
To Balance, (as per last statement)...				
To Advance Charges on Waybills received				
To Freight Collected on Waybills received				
To Prepaid Collected on Waybills forwarded				
.....				
CREDITS				
By Advance Charges on Waybills forwarded				
By Cash remitted Treasurer.....				
.....				
By Balance, as below				
.....				
The balance shown above is made up as follows:				
Cash on hand.....				
Shipments on hand as per list attached.....				
Due from drivers as per list attached...				
Due from Sub-Agents as per list attached				
Authorized credit accounts as per list attached				
.....				
.....				
I hereby certify that the above is a true statement of my account with The Wessex Company, for the time specified as shown by the books of this station, and that the articles of freight mentioned in the accompanying statement of shipments on hand are actually in my possession, and that amounts due from drivers, sub-agents and authorized credit accounts, are correct.				
.....Agent				
This report must be signed by the Agent PERSONALLY , and not by his clerk or any other person, and MUST be sent to the COMPTROLLER at close of business on the 7th, 14th, 21st and last day of each month.				

Form 57. Agent's Balance Sheet. Size, 8½ × 12.

he should obtain a receipt from the person to whom the money is advanced and this receipt should be attached and sent forward with the billing. Credit will not be allowed forwarding agents unless this is done. The shipments should be way-billed as follows:

Advance Charges	Our Charges	Total to Collect
.25	.50	.75

1. When the agent makes up his forwarded abstracts the way-bill should be handled as follows:

Advance Charges	Freight Charges
.25	.50

When the total of his forwarded abstracts is carried to his balance sheet he should take credit for 25c to cover the money thus advanced.

3. When a way-bill is received at a local station with an advance charge to be collected as follows:

Advance Charges	Our Charges	Total to Collect
.25	.50	.75

the agent should collect 75c when the shipment is delivered.

4. When making up his received abstracts the way-bill should be handled as follows:

Advance Charges	Freight Charges
.25	.50

When making the total of received abstracts to the balance sheet the agent should charge himself with 75c, the amount of money which he has to collect.

Settling Comptroller's Corrections

When a correction is issued by the comptroller's office, the agent should immediately investigate and settle it as soon as possible. In the case of corrections issued to cover way-bills

not reported, the forwarding agent should, upon request, furnish the agent upon whom the correction is issued a copy of the way-bill and all other information which will enable him to settle the correction promptly. The cooperation of all agents on this particular point will make it possible to settle the above class of corrections with a minimum of work.

All agents are requested to keep a book showing the number and the amount of each correction issued against their respective stations. This book should show the date of settlement, or if returned for cancellation, the date of return and the reason for cancelling.

Foreign Company Shipments—Outward Way-Bills

In issuing and abstracting way-bills covering shipments from a "foreign" company line, the procedure should be as follows: In the case of "collect" shipments the company charges should be entered in the column headed "Express or Freight Charges," writing the word "Local" at the top of the column. Foreign line charges should be entered in the column headed "Cartage Collect," writing "Foreign" at the top of the column. The total to be collected should, of course, be entered in the column so headed. In the case of a prepaid shipment, the "Prepaid" and "Cartage Prepaid" columns should be used in the same manner, heading them "Local" and "Foreign" as above. (See Form 41, page 103.)

Foreign Company Shipments—Outward Abstracts

Separate sheets, marked at the top "Foreign," should be used for foreign line business. The way-bills should be abstracted in the regular manner, and the charges entered in columns corresponding to those on the way-bill. The totals of the local columns are carried to recapitulation as part of the local business. The totals of foreign columns are shown as separate items, thus:

<i>Local</i>	Advance Charges	Freight Charges	Cartage Collect	Prepaid Shipments	Cartage Prepaid
Express	\$.....	\$25.00	\$.....	\$20.00	\$.....
	.....	5.00	4.00	8.00	6.00
Freight	2.00	50.00	.....	30.00	.....
Total Local	<u>\$2.00</u>	<u>\$80.00</u>	<u>\$ 4.00</u>	<u>\$58.00</u>	<u>\$ 6.00</u>
<i>Foreign</i>					
Freight	\$.....	\$ 3.00	\$.....	\$ 4.00	\$.....
	.....	4.00	.....	6.00	.....
Total Foreign	<u>\$.....</u>	<u>\$ 7.00</u>	<u>\$.....</u>	<u>\$10.00</u>	<u>\$.....</u>
Grand Total	<u>\$2.00</u>	<u>\$87.00</u>	<u>\$ 4.00</u>	<u>\$68.00</u>	<u>\$ 6.00</u>

Foreign Company Shipments—Inward Abstracts

Here also separate sheets, marked at the top "Foreign," should be used for foreign line business. Foreign way-bills should be abstracted in the regular manner, with the charges entered in "Local" and "Foreign" columns, as prescribed for outward abstracts. If foreign line way-bills do not show divisions of charges between the two companies, the entire charge should be abstracted in the "Foreign" column and the division made in the comptroller's office.

Local and foreign totals are then carried separately to recapitulation, as prescribed for outward abstracts, thus:

<i>Local</i>	Advance Charges	Freight Charges	Cartage Collect	Prepaid Shipments	Cartage Prepaid
<i>Ancaster Division</i>					
Express	\$.....	\$10.00	\$.....	\$ 6.00	\$.....
Freight	.50	15.00	.....	8.00	.....
<i>Winston Division</i>					
Express	12.00	10.00
	2.00	1.00
Freight	20.00	25.00
Total Local	<u>\$.50</u>	<u>\$59.00</u>	<u>\$ 1.00</u>	<u>\$49.00</u>	<u>.....</u>

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	Advance Charges	Freight Charges	Cartage Collect	Prepaid Shipments	Cartage Prepaid
<i>Foreign</i>					
Express	\$.....	\$ 2.00	\$.....	\$ 4.00	\$.....
Freight	.....	3.00	.....	5.00	.....
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Foreign	\$.....	\$ 5.00	\$.....	\$ 9.00	\$.....
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Grand Total	\$.50	\$64.00	\$1.00	\$58.00	\$.....
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

All collect charges on received abstracts and all prepaid items on forwarded abstracts are summarized on balance sheets as usual.

The differentiation between local and foreign columns under these captions is used only on abstracts. The terms will not appear on the agent's recapitulation.

Agents should see that the total weight as shown on the way-bills is inserted on the abstracts in connection with all traffic exchanged with the foreign line companies.

CHAPTER VIII

EXPRESS AND FREIGHT SERVICE— RECAPITULATIONS

Work in Comptroller's Office

The work in the comptroller's office in connection with the express and freight business, while not particularly complicated is full of possibilities of error, and needs close attention; none but a first-class clerk should ever be delegated to this work.

The accounting for freight and express work is different from the accounting for the passenger work, as so much depends upon the correctness of the billing of the freight and express matter, particularly in assessing charges for the service performed in conformity to the published tariffs of rates. Much depends also upon the correctness of the records at the different stations.

In connection with this work there is, first, the task of checking the reports from local offices, the agents' balance sheets, and the abstracts of way-bills.

Next, there is the task of calculating earnings by stations and by divisions. In this work the corrected abstracts of way-bills are checked against the reports of cash deposits from the agents at the various stations and from the company treasurer.

In addition, the comptroller's staff must attend to the collection of unpaid bills of credit shippers and must adjust and settle claims for damage to shipments.

Checking Way-Bills and Abstracts

The abstracts of way-bills come from the stations four times a month on Forms 55 and 56. With them come the original way-bills in bundles. The "forwarded" abstracts must be checked against the "received" and both against the agent's balance sheet (Form 57) also sent in once a month.

A convenient method is as follows:

1. The way-bills should be sorted by express stations, those of each station grouped by classes, as Express, Freight, Class C, Class B, and Milk, if more than one class is represented. As a rule, the last two classes will figure but little.

2. The footings on all abstracts and on the recapitulation or summary sheets should be verified and any errors noted in red ink. The figures here shown should be checked with those on the agent's balance sheet.

3. The "forwarded" and "received" abstracts should be checked together and the date, number, destination, and charges noted for each way-bill entered. By beginning with the "forwarded" abstracts of one station and checking the "received" abstracts of each of the other stations with these, quickest and most certain progress is made.

Many cases will occur, of course, in which the two sets of abstracts will not exactly tally. For these cases the original way-bills should be looked up and the abstract corrected.

If the way-bill is found in the abstract of one station without the corresponding way-bill in the abstract from the other station, it must be added to the summary of these abstracts or deducted from it, according to the date of the way-bill. For instance, in checking the period for seven days ending July 7th, everything dated previous to July 1st should be deducted and noted with this mark, (—); if the way-bill which cannot be checked is dated since July 1st, it should be added to the report and noted with a different mark, (+). In large offices it will take all the time of two clerks to do the checking

above outlined, and the actual addition and deduction of items from the abstracts will probably have to be done by a third clerk.

Checking Unreported Way-Bills

After making the corrections and notations the abstract should be gone over again and all way-bills with the mark (+), denoting that they should be added, should be drawn off and listed under the station which reports them, the "forwarded" way-bills in one list and the "received" way-bills in another. The way-bills marked (—), denoting that they should be deducted, should be checked with the list of added way-bills of previous periods.

Way-Bill Transit Book

At the end of each month these lists should be checked and all those way-bills which have been added without corresponding deductions being reported should be written up in a small way-bill transit book, used as a memorandum to keep track of these items. The current month only is recorded on the lists and all outstanding way-bills previous to the current month are recorded in the way-bill transit book.

Balance Sheet Corrections

The abstracts thus checked should be re-examined, the red ink changes noted, and the abstracts footed again. The changes must be carried to the recapitulation or summary of the abstracts, and from there to the agent's balance sheet. For all changes which affect the balance, correction notices must be sent to the agent on Form 58.

The serial number of this notice must be marked on the balance sheet opposite the change, so that the total of these correction notices will agree with the changes on the agent's

THE WESEX COMPANY OFFICE OF THE COMPTROLLER		Express Department					
Correction Sheet		No. 191.					
Agent at		Way Bill from					
To		Dated					
Consignee	Articles	Advance Charges	Freight	Cartage Charges	Prepaid	Cartage Prepaid	Paid Through
Way-Bill Reads as Follows							
	Total Footings of Original W. B.						
Way-Bill Should Read							
	Total Footings of Corrected W. B.						
REMARKS. (Why Corrected)		Amount due..... \$.....					

INSTRUCTIONS—Agents will receive this form of advice from the COMPTROLLER for all corrections, and in the next weekly settlement will either debit or credit themselves with amount shown as "Amount Due," attaching all papers to the AGENT'S BALANCE SHEET sent to this office with reports.

Form 58. Correction Sheet. Size, 9½ × 8.

balance sheet. The notice must show whether the correction is a charge or a credit to the agent. For instance, if an agent shows the charges on a way-bill as 20c and the way-bill shows that it should be 30c this difference of 10c should be charged to the agent; while if the case is the opposite of the above, the difference should be credited to the agent. The notice should be made out in duplicate, the original being sent to the agent and the duplicate placed in a separate "station" file in the office of the comptroller, until the agent shows on his balance sheet that the correction has been taken care of; then the duplicate should be taken from the "station" file and placed in the regular files.

The Correction Ledger

At the end of every month the correction notices issued to the various agents during the month but which have not yet been settled, should be charged or credited to the agents in a "Correction Ledger." This ledger has an account with each agent which is balanced every month. The balance of any agent's account at the end of a month, as shown in the correction ledger, should agree with the difference between the balance at the end of the same month as shown on the agent's balance sheet, and the balance as shown in the express agents' ledger (page 137). In other words, a record as compiled in the general office for a month may show a charge against an agent of \$1,000, while the record as compiled by the agent may show that he owes the company \$990. By reference to the correction ledger balance referred to we find that correction notices have been sent to the agent advising him of errors to the extent of \$10 against him and that at the time of sending in his reports he has failed to charge himself with this amount of \$10.

When these corrections are reported by the agents as settled the date is posted in the correction ledger. The correc-

tions outstanding at any time thus represent a detail of the difference between the agents' accounts and the account in the comptroller's office, as explained above.

Checking Agents' Remittances

The reports just referred to come to the comptroller's office once a period, on the 7th, 14th, 21st, and last day of the month. On the other hand, a report of the cash deposited by local agents is sent by the banks to the comptroller's office daily on Form 59. The amount of the daily remittance of

THE WESSEX COMPANY EXPRESS DEPARTMENT		
Remitted by.....		
Agent at.....		
To Cashier at.....		
	191.....	
PLEASE LIST EACH CHECK SEPARATELY		
Specie.....	Dollars	Cents
Bills.....		
Checks.....		
".....		
.....		
Total,		
.....		
Remittance of.....		191.....
From Agent at.....		
Received by.....		
Cashier at.....		
In the Amount of.....		

Form 59. Bank Report of Agent's Remittance. Size, $3\frac{1}{2} \times 8\frac{3}{4}$.

each agent should be posted in a remittance ledger under the proper station heading and the date of deposit. At the end of each month the total remittances from each station for the

month could be posted in the back of the remittance ledger, where a summary might be kept. A statement is sent to the comptroller's office every day from the office of the treasurer of the company, showing the amount deposited by each station, according to the agent's advice to the treasurer, which amount is certified by the cashier of the bank in which the money is deposited. This list from the treasurer's office should be checked with the reports on Form 59.

At the end of every period the amount which the agent shows on his balance sheet as "Cash Remitted to Treasurer" is also checked with the remittance ledger, and any differences are taken up with the agent.

Compiling Earnings—By Stations

The earnings of the road must now be figured by stations and divisions. The earnings of stations are shown, of course, on the recapitulation or summary sheets and also on the agents' balance sheets. The total shown on the agent's balance sheet of "advance charges on way-bills received," "freight collected on way-bills received," and "prepaid charges on way-bills forwarded," represents the earnings of the station and should agree with the figures on the recapitulation or summary sheet.

Compiling Earnings—By Divisions

In compiling the earnings of divisions the earnings of each station are posted on the recapitulation or summary sheets to the various divisions under the proper headings or classes of freight or express handled.

While thus posting the division earnings they may be checked conveniently by a proof sheet as follows: (1) the total earnings of each station as shown on the recapitulation or summary sheets should be checked with the balance sheet;

(2) the proof sheet should be footed and the total checked with the sum of the totals of the different classes of business as shown in the earnings ledger.

Express Agents' Ledger

This is a small columnar ledger in which an agent's name is written at the top of each column and the total amount of earnings of each station as shown upon the proof sheet is posted as a debit against the agent of that station. The agents are credited with cash deposited by them as shown on the remittance ledger and with any advance charges on way-bills forwarded as shown on their balance sheets.

All correcting journal entries affecting agents' accounts are posted in this agents' ledger as a charge or credit, as the case may be. At the end of the month the balance is taken from this ledger; and the balance due from each agent on the last day of the month should agree with the balance he shows on his own balance sheet for the last period of the month, taking into consideration the amounts shown in the correction ledger.

Preparing Entries for General Journals

As soon as the work for the month has been checked and written up in the detailed books as just outlined, regular monthly journal entries should be prepared for the general books by the auditor of freight receipts, or head clerk in charge of the express and freight service.

The following entries should be made each month:

Sundry Agents—Express Department.....	\$50,000.00
To Sundries:	
Operating Revenue.....	\$49,000.00
Advance Charges.....	500.00
Foreign Street Ry. Co. Joint Freight	
Acct.	500.00

For amount of Revenue, Advance Charges
on way-bill received and foreign charges
for the Foreign Street Railway Company,
as per analysis of earnings ledger.

Cash in Transit.....	38,000.00	
To Sundry Agents, Express Department		38,000.00
For the amount of remittances made by agents during the month of....., as per agents' remittance book.		

Operating Revenue.....	10.00	
To Sundry Agents, Express Department		10.00
For the amount of comptroller's corrections cancelled during the month of....., as per detail on file for this entry.		

Foreign St. Ry. Co. Joint Freight Account....	50.00	
To Operating Revenue.....		50.00
For amount of charges collected on way- bills by the Foreign St. Ry. Co. during the month of....., as per detail on file for this entry.		

Advance Charges.....	300.00	
To Sundry Agents, Express Department		300.00
For amount of charges advanced by various agents on forwarded way-bills during the month of....., as per detail on file for this entry.		

Sundries	20.00	
To Operating Revenue:		
Sundry Agents, Express Dept.....		18.00
Advance Charges.....		2.00
For amount of comptroller's special correc- tions issued during the month of....., as per detail on file for this entry.		

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Operating Revenue.....	50.00	
To Sundry Agents, Express Department		50.00
For amount of relief given to various agents on company shipments, as per detail on file for this entry.		
<hr/>		
Way-Bill Transit Account.....	400.00	
To Sundries:		
Operating Revenue.....		350.00
Advance Charges.....		50.00
For amount of way-bills for the month of .....in transit, as per way-bill transit book.		
<hr/>		
Sundry Agents, Express Department.....	200.00	
To Way-Bill Transit Account.....		200.00
For amount of way-bills not reported dur- ing the month of.....which are cov- ered by comptroller's corrections, as per detail in way-bill transit book.		
<hr/>		
Sundries	400.00	
To Way-Bill Transit Account:		
Operating Revenue.....		350.00
Advance Charges.....		50.00
For amount of way-bills in transit reported by agents during month of....., as per detail in way-bill transit book.		

It is to be understood, of course, that the figures included in the above entries are merely used as an example, being purely imaginary.

Collection of Bills

The comptroller's office has the task also of collecting bills which the local agents have not succeeded in getting in. The procedure followed is outlined in connection with Chapter XIX.

Claims for Losses, Damages, and Overcharges

One other distinct branch of work is handled in the comptroller's office in connection with the express and freight business, namely: settling claims for losses, damages, and overcharges. This matter is entirely in the hands of a special clerk called an "Express Claims Adjuster" who reports directly to the comptroller.

Registering Claims

Invoices received for loss or damage should be given a number, entered in a claims register (Form 60), and placed in the active claim file.

THE WESSEX					
Claim No.	Date	CLAIMANT	Address	GOODS ALLEGED TO HAVE BEEN	
				Lost	Damaged

COMPANY					
AMOUNT	FROM	TO	Date Shipped	PARTICULARS	DISPOSITION

Form 60. Express Claims Register (left-hand and right-hand pages). Size, 10 × 14.

Claims should be supported, if possible, by the original way-bill, the original bill of lading, and a copy of the original

invoice covering the shipment in question, the claims being entered and numbered. A postal card (Form 61) should be sent to the claimant calling for such papers as the claimant has neglected to file.

THE WESSEX COMPANY EXPRESS DEPARTMENT Office of the Comptroller	
.....,191....	
Dear Sir:	
Your claim of.....	
for amounting	
to \$.has been received and will	
have our prompt attention. If necessary to refer	
to same again please quote number.....	
In order that adjustment of your claim may be	
facilitated as much as possible, will you in future	
kindly forward your claims made against this com-	
pany direct to the undersigned.	
All claims should be supported by the original	
receipt and copy of original invoice, covering the	
goods involved, and in the event that either of such	
documents cannot be furnished, I would respectfully	
request that their absence be explained in first sub-	
mitting the claim, so that unnecessary corres-	
pondence and delay may be avoided as far as pos-	
sible.	
Yours truly,	
Comptroller.	

Form 61. Express Claim Post-Card. Size, $3\frac{1}{4} \times 5\frac{1}{2}$.

In case the claimant does not comply with the request for certain papers at the end of six days the claim may be removed from the active file until the claimant again takes the matter up with the company. Proper record should be entered, of course, on the claim register to show in what file the papers have been placed.

Investigating Claims

The investigation of a claim should be started at once. A copy of the way-bill should be obtained from the forwarding agent and a copy of the delivery record from the receiving

agent. In case of a loss these two records should be compared with the original bill of lading to make sure that the shipment was in good order, etc., when the company received it. The forwarding agent should issue general tracers to all stations in connection with goods gone astray, which tracers should be filed with the claim when received. While there is no fixed rule so far as a general investigation is concerned, it is important that in case of a loss the forwarding, receiving, and transfer records, if any, be examined and that all employees having knowledge of a loss or damage be interviewed, if necessary, in order that all the facts possible may be obtained.

The "Over, Short and Damaged" reports (Form 46) sent up from the local offices should be examined closely each day, as a "short" report at one point may be accounted for by an "over" report elsewhere. The claims register should be indexed as near to date as possible. It is the duty, of course, of the forwarding agent to issue tracers on all shipments reported "short" by receiving agents, and it is the duty of all other agents to respond immediately to tracers. It is well, however, to carry a memorandum in the general office of goods short and astray; and when the adjuster is calling at the various stations he should keep a lookout himself for all goods that have been reported short.

Adjustment of Claims

Having obtained the facts and with the records in hand it should be an easy matter to dispose of the claim. If the company's records show that the consignee has received the shipment in question complete and in good order, the claimant should be notified by letter that the claim is declined, with reasons therefor. If the records of the company show that there is a loss or damage and the investigation proves the company's liability beyond a doubt, then a voucher should be drawn in favor of the claimant with a brief, clear statement of

the facts in connection with the loss or damage, this statement to be addressed to the comptroller and attached to the voucher which is passed on to the comptroller for his approval.

In case of doubt as to final disposition of a claim the legal department of the company should be consulted.

Filing Report

After the month's work in connection with the express and freight service is completed all reports should be carefully filed; the way-bills should be bound up in volumes and plainly marked and filed. For this work a binding machine can be used to advantage.

CHAPTER IX

AUXILIARY OPERATIONS

Incidental Revenue from Transportation Services

In the preceding chapters on the passenger and express services the principal sources of revenue for a street railway company have been discussed. There are a few incidental sources of revenue in connection with the passenger service, such as the receipts from advertising in cars and from station rentals, but these call for very little accounting work. The advertising privileges are usually rented out to some advertising agency and a single monthly bill is made out in the comptroller's office for the monthly proportion of the yearly contract. Station rentals are treated in the same way.

A few other minor items of revenue are taken care of in the comptroller's office by means of bills, as explained in Chapter XIX.

Accounting for Outside Enterprises

Street railway companies occasionally, however, conduct other enterprises in connection with their regular work of transportation. There is much less of this than in former years, but it is still a frequent practice for a company to furnish steam or electric power for heating, lighting, or other purposes. Some companies furnish gas or water to a community; some own and operate amusement parks. To lay down rules for the accounting work in connection with such auxiliary operations is very difficult. Complete detailed records should be kept in every case, and the books should con-

form in a general way to the books of the regular railway business; further than that the matter depends entirely on local conditions and on the nature of the outside operations.

Interstate Commerce Commission System

For companies under the control of the Interstate Commerce Commission a very definite rule regarding these auxiliary operations is laid down in the Commission's "Uniform System of Accounts for Electric Railways," issue of 1914, under sections 2 and 3 of the general instructions. According to this ruling, street railway companies conducting outside enterprises shall "treat such operations or service as auxiliary operations" and "keep separate revenue and expense accounts for each auxiliary operation conducted," although including "the aggregate of the revenues and the aggregate of the expenses of auxiliary operations in the respective accounts provided therefor in the income classification."

The commission further stipulates that expenses in connection with the maintenance and operation of plant and equipment in auxiliary operations shall be carefully excluded from the railway expenses by means of separate accounts. On the other hand, if "a carrier furnishes power, light or heat only incidentally, such incidental revenues and expenses may be included in the railway operating revenues and expenses."

Sale of Electricity, Water, or Gas

It is not possible here to do more than discuss a few points of rather general interest. One of these is the sale of electricity and occasionally gas or water.

It sometimes happens in a district where there is no regular electric light or power service that a street railway company is asked to furnish such service from the trolley feeders or wires and similar lines. Occasionally also, for some special reason, a company may furnish gas or water to single con-

sumers or to small groups. The accounting for all this may be conveniently placed in the care of the division cashiers.

Such service, small though it is in amount, necessitates careful arrangement with regard to lamps and other equipment, meters, deposits from consumers, receipt forms, and so on. Experience has developed a number of suggestions and cautions regarding the method and form of office procedure in such dealings.

Accounting for Meters, Arc Lamps, and Transformers

The following plan applies to gas and water service as well as electric service:

1. All meters, arc lamps, and transformers should be given company numbers as soon as received. A separate series of consecutive numbers commencing with number one may be used for each of the different items, consisting of electric meters, gas meters, water meters, arc lamps, and transformers.
2. The division cashier should be furnished promptly with the proper information to enable him to keep the records up to date.
3. When invoices covering the purchase of any of the above articles are forwarded to the comptroller's office for payment, a memorandum must be attached showing the company number applied to each article, the date received, the maker's name, the type, capacity, and cost.
4. When any of the articles are transferred from one division to another, a report of the transfer should be made in duplicate, the original being sent to the comptroller's office; the duplicate to the manager of the other division. This report should show the name of the forwarding division, the date of transfer, the name of the receiving division to which the article was sent, the company number, maker, type, and capacity; and should be signed by the manager of the forwarding division. The manager of the receiving division

should immediately number the article according to his own series, and have it entered properly on his own record. He should then enter on the duplicate report referred to the company number he has assigned to each of the articles, indorse the original with his signature as received, and send it to the comptroller's office for proper transfer in the accounts.

5. When any of the above items are condemned as unfit for further use, the division manager should make a report to the comptroller showing the company number, maker, type, capacity, the date when condemned, and the reason for condemnation. Upon receipt of word from the comptroller accepting the report, the division cashier should enter in the proper place in his record book under the item referred to, the word "condemned" with the date. In the back of his record book he should enter on the top of the page the word "condemned" and underneath write the number, the date of the condemnation, the reason, and by whom authorized. The articles condemned should be held in stock with the badge number on until permission is obtained from the comptroller's office to destroy them. Usually they will be counted and destroyed by a representative from the comptroller's office.

6. When any of the items referred to are sold the division cashier should report the sale to the comptroller, giving the company number, maker, type, capacity, date sold, name and address of purchaser, and the amount sold for. The sale should not be handled in the local accounts, but should be covered by bills collectible issued from the comptroller's office. The badges removed from the items sold should be sent to the comptroller with the notification of the sale. The division cashier on receipt of advice from the comptroller should enter in his record book under the proper item the word "sold" with the date, and should keep a record of the articles sold, in the back of his book, in the same manner as prescribed for those condemned.

Meter Deposits—Records for Main and Division Offices

As meter deposit receipts are issued the division cashiers should send in a list, using the blank lines on Form 28, showing for all outstanding receipts the serial number, the date, the name of the person to whom issued, the department (electric, gas or water), and the amount.

The cashier should inform the comptroller's office daily on Form 7 of the amount deposited in the bank.

In addition to this the division cashiers should be instructed to send in at least twice a year, on March 31 and September 30, a record of their outstanding meter deposits so that it can be checked up against the office records.

In the comptroller's office a record of such deposits is kept in an ordinary journal ruled book or in a book made up for the purpose. It should be lettered on the outside, "Record of Meter Deposits No. 1" and divided into sections for each division.

When the meter deposits are refunded to depositors, which is done through the cashier's working fund, as explained below, proper entries must be made in this record book in the main office to show these repayments.

If from time to time the amount of a deposit is applied in settlement of an account against an individual and the balance of the deposit, if any, is either paid over or allowed to remain on deposit with the company, suitable entries must be made in this book.

This record of deposits should be balanced against the general ledger at the end of each month. This record in the comptroller's office should show the number, date, name, department (that is, electric, gas, or water), the amount of deposit, and the balance due on the deposit. The last column should be used (only as a memorandum) where a part of the deposit has been taken to apply in settlement of an account and there is a balance due the company on it. At the head of

the right-hand page should be entered the word "settled" and under this should appear the number, name, date, address, and the amount which has been repaid or used in settlement of the company's account. In the column "Particulars" should appear a brief statement as to whether the amount was repaid or used in the liquidation of the company's account. The balance of this book can be obtained, of course, by simply footing the column on the left-hand page, which footing once made remains unchanged—the column on the right-hand page, of course, must be footed each month—and then subtracting the right-hand page from the left. This balance in the column should agree with the account on the general ledger.

A record should be kept of all meter deposit blanks sent to the division cashier in the same manner as the record of tickets is kept, that is, by serial numbers.

Care should be taken by the cashiers to issue the meter deposit slips in numerical order. All receipts which the cashier spoils in issuing should be entered on the report of receipts issued, but with the "amount" space left blank and a notation on it stating "spoiled," and the spoiled slips should be attached to the report. When the clerk in writing up the record from this weekly report finds a spoiled slip he will merely enter the number and write in the words "spoiled in issuing," leaving the amount space blank and the spoiled receipt attached to the weekly report.

ReCeipts for Meter Deposits

When a consumer makes a deposit to the company as security for the payment of his bills, the only receipt issued to him should be one similar to Form 62. In no case must a temporary receipt be given followed by a regular receipt.

Consumers should be encouraged to make their deposits at the division office, but when this imposes a hardship it is proper to have the workman who installs the service take with

NOT NEGOTIABLE	
OFFICE OF THE WESSEX COMPANY	
No. 191...	Received of the sum of Dollars (\$) as continuing security for the payment of all indebtedness of every description now or hereafter incurred, for Gas, Electricity, Merchandise and Labor Supplied, by this Company, its Successors or Assigns, at the request of the above named Depositor.
Premises Ledgers, Gas No. Fol. Bkpr. Elec. No. Fol. Bkpr. A. R. No. Fol. Bkpr.	This deposit will be refunded at the office of this Company, with interest to date of discontinuance of the supply of Gas, or Electricity, or both, at the rate of 4 per cent. per annum, only on presentation and surrender of this Certificate by said Depositor, properly receipted, and provided further that all bills due this Company, its Successors or Assigns, at such time have been paid. Interest will not be allowed for fractional parts of a month.
..... Local Cashier For The Wessex Co.	
Due for Gas, Electricity, Accts. Rec. Total,	Received, 191..., of The Wessex Company, the sum of Dollars, being payment in full of the above amount with interest to 191...
Amount of Deposit \$ Amount of Interest, \$ (.... Yr. Mos.) \$ Total, Date Refunded 191...	Deposit, Interest, (... Yr. Mos.) Total,

Form 62. Meter Deposit Receipt. Size, 12 X 4

ACKNOWLEDGMENT OF MONEY RECEIVED

..... 191

Received from..... Dollars
..... 100

Payment for.....
.....
.....
.....
.....
.....

FOR THE WESSEX COMPANY

\$.....

Aside from this, the giving of temporary receipts for any payment whatever should be absolutely prohibited. If an employee collects charges for lighting or merchandise, he must in all cases make out the receipt on the proper bill form and in no other way. If the consumer loses the bill that was issued, as often happens, or if a consumer upon discontinuing the company's service pays the man who disconnects the

meter during the month, the regular bills should be made out and properly receipted.

Cancellation of Charges Against Consumers

It will sometimes be necessary to cancel charges against consumers of electric light, etc. Generally speaking, the only cancellation that should be made, excepting those made at the end of the fiscal year when adjusting the yearly accounts, should be in case of erroneous bills or return of materials sold.

It occasionally happens that a manager may desire to allow reductions in a charge because a meter test has proved that the meter was registering fast or for some similar reason. In cases of this kind request should be made to the comptroller's office by the cashier during the month the error was discovered to cancel that part of the bill which was in excess. The cashier should send in a letter approved by the division manager, giving all details, and in due time he will receive instructions regarding cancellation from the comptroller's office. The cancellation should be made on his books in the proper month as directed. All other accounts must be held open until the close of the fiscal year.

At the close of the year request will be made by the comptroller's office for a list of uncollectible accounts. The intention of this list, it should be noted, is to write off merely such accounts as in the judgment of the cashier or manager are definitely uncollectible, and not those which are merely doubtful.

A book record of all accounts cancelled must be kept in the offices. The cashier should consult this in the case of every prospective customer, unless he is sure that the applicant has never previously been carried on the company's books, to ascertain if there is an old balance due which was at one time written off. Where this is found to be the fact service must not be installed until the old balance due is paid. It is emi-

nently desirable to secure a substantial deposit in addition from such people before again beginning service to them.

Refunds to Consumers

If a consumer who is still using the service overpays his account, the amount should be handled on the regular cash book as an "interim" and credited to his next bill. That bill should show the full charge and the overpayment applied in the same manner as a part payment. This credit should be shown on the bill presented to the consumer in the form of a clearly intelligible notation.

Summary Cash Book

If, however, a consumer overpays his account after service has been discontinued, it becomes necessary to pay him back in actual cash; and this refund must come out of the receipts. To take care of this properly a small cash book should be kept by the cashier. It should be noted that this is in addition to the two cash books kept by the cashier in connection with the passenger service.

On the debit side the receipts should be recorded, showing their classification in the same manner as these are now shown on the "Advice to the Comptroller." The date shown must be that of the day the receipts were taken in. The total of each day's receipts, of course, should be shown.

On the credit side should be entered the date, the name of the bank, and the amount deposited or remitted to the company treasurer. If the total collections of any day are not deposited, the balance should be carried forward to the next day. Both sides for each day will balance, of course, and red ink lines should be drawn across each side to show the separation by days.

When a refund has to be made to a consumer in cash the amount should be taken out of the receipts of the day follow-

ing that on which overpayment is discovered. On the day the cash is taken out, the cashier will show the receipts in full on the debit side of the summary cash book and on the credit side will give information concerning the deposit as outlined above, and also the amount of the refund, with a notation to explain this entry fully. If this is done, the two sides of the cash book will then balance for the day.

In other words, the debit side of the summary cash book must always show everything that was actually received, and the credit side its disposition.

Returning Overpayments

If the consumer can readily be reached he should be paid in cash and his receipt taken on a blank similar to Form 63. Otherwise a letter should be written to him explaining the overpayment and enclosing a receipt for him to sign. When the signed receipt is returned the money should be taken to a bank where the company keeps a deposit and the cashier's check obtained and forwarded to the consumer with a letter. The signed receipts, with copies of all correspondence regarding them, must be kept in the local office so that they can be readily found at any time. On the back of each of them a notation should be made as to whether payment was made by cash, or by cashier's check. If by the latter, the name of the bank should be given also.

The amount of receipts shown on Form 7 must be that of the receipts actually deposited. Amounts refunded are not included on this form; such "interims" as represent amounts which have been refunded may be ignored.

Since the above covers a number of the special points in connection with electric lighting it seems unnecessary to go into any further details here. Other special activities are conducted on similar lines and this book, of course, is primarily concerned with street railway accounting.

Parks and Other Attractions

Speaking generally, pleasure parks are not operated with much success by street railways at the present time. In many cases they have been entirely abandoned and in many others they are leased outright by the railway company. In a few cases privileges in and around the parks are let by the street railroad to various concessionaires.

Where parks are operated for the particular purpose of attracting traffic, the accounts are handled under the Interstate Commerce Commission's ruling entirely through "Operating Expenses, Account 81, Parks, Resorts and Attractions." But where such parks and attractions are carried on as a matter of making money rather than to induce traffic on the line of the carrier they are regarded as coming within the definition of an auxiliary operation.

Some street railways maintain in addition other property, athletic fields, for instance, where games and entertainments are conducted and fire-work displays, etc., are given. It is extremely difficult to tell whether such enterprises are of benefit to the road or not. There is always expense connected with them and as there is a certain amount of traffic on the road which the company would get anyway, it is difficult to tell how much money the special attraction brings in. Hence it is difficult to outline any particular system of accounting. It has been the writer's experience that a brief check of the traffic made by the inspectors is about the best record that can be obtained for the purpose.

If the park is owned and operated by the company, it is a simple matter to keep "Account No. 81, Parks, Resorts, and Attractions" subdivided so that all charges or credits can be applied to the proper subdivision. A book for the purpose of detail records (Form 138) is illustrated in Chapter XXI. (See also Chapter XVIII.) This may be footed at the end of the month and proved up with the regular expense ledger,

"Account 81, Parks, Resorts, and Attractions." This is a very simple method of accounting for parks which are owned and operated entirely by the company. A similar record may be kept for athletic fields or other special features which are handled by a street railway company. Where a street railway company leases the entire park, or other attraction, no special records are necessary, because "Account No. 81, Parks, Resorts, and Attractions" will show all details, but on the other hand where a company leases a portion of the privileges and operates another portion, such as perhaps a restaurant or bath privileges, or something of the kind, the accounting methods must be a little more strict. Proper systems of internal checks should be used so that the company will not be defrauded of a portion of its earnings.

In the matter of construction accounts for the purchasing or building of parks very little can be said, as the Interstate Commerce Commission's system of accounts provides "Account 526, Park and Resort Property" with the following explanation—"This account shall include the cost of amusement parks and resorts; including the excess cost of improved park and resort property over the original cost of such property retired or removed and replaced. (Note:—The cost of land used for such purposes shall be charged to Account 503, 'Other Land Used in Electric Railway Operations.')

Of course, if the railway company is not under the jurisdiction of the Interstate Commerce Commission, or following that commission's uniform system of accounts for electric railways, it can subdivide its construction and equipment accounts for park properties in accordance with ideas of the officials in charge. This subdivision might be somewhat as follows: Organization, Land, Buildings, Equipment, Interest, Insurance, and Miscellaneous. In the matter of records for other attractions, such records would depend entirely upon local conditions and the nature and size of the attractions.

CHAPTER X

THE PAY-ROLLS—PREPARATION

Different Classes of Employees

Labor is one of the two main elements of cost with a street railway company. An important part of the work of the accounting department has to do with supervising the preparation and checking of pay-rolls.

The employees of a street railway company include usually those in the transportation service, chiefly conductors and motormen; those working on the track; on the line; in the power-houses; in the storerooms; and in the local and general offices. If a road maintains an express and freight service and operates auxiliary enterprises such as amusement parks, the employees are still more varied in character.

More than half of the total number are conductors and motormen, the conditions of whose employment are different from those in any other business. Special methods and devices have been developed accordingly in connection with the pay-rolls.

Pay-Roll Procedure

The procedure may be summarized as follows: With the exception of the comparatively few employees in the general offices, pay-rolls for all employees are made up by divisions in the offices of the division managers. Heads of departments and clerks in the general offices are paid by check, but the method of pay envelopes is used for other employees. The

pay-rolls are first sent to the comptroller's office to be examined; then are returned to the division offices, where the payment is made by the division cashiers; and finally they are sent back to the comptroller's office for final checking and filing.

Except in the case of conductors and motormen, the process is very simple. All employees of the road are grouped according to a classification designed to cover all classes of labor on a street railway system, which is made up in the comptroller's office and furnished to the division offices. Each class is given a certain number so arranged as not to conflict with the accounting numbers under which their wages are distributed on the pay-rolls by departments.

The following suggestions should be observed by the division offices.

Classification by Occupation

When a man is engaged he should be given a definite occupation from week to week until he is promoted or transferred to another department. He should not be designated on the pay-roll merely as a "helper" but as a "machinist's helper," "painter's helper," etc. If he performs duties outside his regular occupation the pay-roll distribution should show the time devoted to such irregular duties.

The entire amount of money due any one man for the week should appear in one place only and as one amount on the roll, regardless of the kinds of work he may have been doing. His name should not appear more than once on the roll. Thus every name on the pay-roll will represent a different man and by counting the names the comptroller can immediately tell how many men are employed.

When a man quits one job to accept another in a different department his name should, of course, be transferred to the pay-roll of the new department. It is desirable that such transfer be made at the beginning of the pay-roll week.

Approving Pay-Rolls

As the pay-rolls are one of the chief avenues through which the company's money is expended, precaution should be taken not only to have them correct but also to have them duly approved by the officials properly responsible. Pay-rolls should be approved by the following:

1. The time clerk preparing the roll
2. The foreman
3. The division manager
4. The comptroller
5. The vice-president or president

The first approval is self-explanatory. Regarding the second approval, if the roll contains the names of men who work on the track, it should be approved by the roadmaster; or if there is no roadmaster on the division, by the chief foreman or the man directly responsible for the time. If it is a shop pay-roll, it should bear the approval of the master mechanic. If it is a conductors' and motormen's roll the signature of the chief inspector, or the man directly responsible for the time of the conductors and motormen, should appear on the roll—and so on throughout the pay-rolls. It will be necessary to secure the signatures of the heads of sections on the particular rolls coming under their jurisdiction.

The third approval should be that of the division manager, as generally responsible for all division work.

Should any necessary approvals not be secured before the time to send the pay-roll sheets to the comptroller's office, the sheets should nevertheless be sent in. Then, as soon as they are returned to the division and the cashier has them to pay off with, arrangements should be made for the officials concerned to sign the pay-roll sheets at once so that the cashier can return the receipted pay-roll to the comptroller's office.

Form 64. Daily Time Card. Size, 8½ × 4¼.

Form 66. Time Clock Ticket—Shops (Night Shift). Size, 3½ × 5½. (On the reverse are the words "This Side Front," "No," "Name.")

The first step in preparing pay-rolls is to compute the time which each employee has worked each week.

Form 64, the daily time card used for line employees and shop employees.

Form 66, the time clock ticket for shop employees who work at night.

Form 67, the daily check list used for track and roadway employees.

[illegible]

Form 67. Daily Check List—Track Employees. Size, 8½ × 11.

Form 68, used by transportation employees other than conductors and motormen, although some of these names appear on the conductors' and motormen's pay-rolls. The report is given to the man in charge of these miscellaneous employees, whose duty it is to act as timekeeper and prepare pay-rolls of the men in this department.

THE WESSEX COMPANY	
DAILY TIME REPORT	
(Inspectors, Chief Cond. Chief Motor. Starters, Switchmen, etc.)	
Date.....191...	
Name.....	
Occupation..... No.....	
On Duty at.....	
.....	
.....	
From.....m. From.....m. From.....m.	
To.....m. To.....m. To.....m.	
Regular (.....Hrs. Over (.....Hrs. (Total.....Hrs.	
Time (.....Mins. Time (.....Mins. (Time.....Mins.	
TIME DISTRIBUTED AS FOLLOWS:	
Register Inspection.....Hrs.	Switchman.....Hrs.
Service Inspection.....Hrs.	Acct. Snow and Ice.....Hrs.
Starter on Street.....Hrs.	Sanding Track.....Hrs.
Starter at Barn.....Hrs.	Checking Traffic.....Hrs.
Instructing Cond.....Hrs.	Instructing Motor.....Hrs.
.....
.....
APPROVED	

Form 68. Time Report—Superior Employees. Size, $5\frac{1}{2} \times 8\frac{1}{2}$.

Conductors' and Motormen's Time

For conductors and motormen, computing "time" constitutes a much more complex matter.

These men are paid at various rates, by hours, length of run, etc., the necessities of service frequently requiring over-time and extra pay. The work of each man and the amount of his pay will usually vary somewhat from week to week, and what amounts to special calculation is accordingly necessary in the case of every man of these two classes. For these men the following time slips are provided: Form 69, "Motormen's Time Slip" and for conductors a similar slip with the word "Conductor" on it.

THE WESSEX COMPANY			
REPORT OF TIME			
Date.....191..			
	Regular Time	Over Time	Total Time
Run No.....	.....hrs.	.....hrs.	.....hrs.
" """"
" """"
" """"
" """"
" """"
Total	.....hrs.	.....hrs.	.....hrs.
Name..... No.....			

Form 69. Motorman's Time Slip. Size, $4\frac{1}{2} \times 5\frac{1}{2}$.

These time slips are put into a specially prepared box located near the receiver or near the safe where the conductors turn in their money. Then the night barn foreman or one of his assistants takes the time slips to the office where the timekeeper is located, provided the office is open all night.

Extra Time

These two forms are prepared by the barn foreman or superintendent, approved by him, and sent to the office of the division manager daily. They are turned over to the time clerk, who uses them as his authority, after checking against them the men's time slips, for entering the time of the men upon the pay-roll sheet.

[illegible]

Form 70. Report of Extra Cars Run. Size, 8½ × 14.

Form 71. Miscellaneous Time Allowed. Size, 8½ × 15½.

Form 71 is used also in keeping track of the work of motormen who run the express and freight department cars. These men, since they are on the same pay-roll as those employed in the passenger service, use the same kind of time slips as the passenger motormen and turn them in each day in the regular way to the local timekeeper. They also prepare day cards, using Form 72. This form is turned in to the local express agent, who credits each express motorman on Form 71 with the number of hours he has actually worked during the day. For instance, if a motorman starts from one division, runs to one or more other divisions, and returns at night to the first division, the record given on this Form 72 will show just how many hours the motorman has put in during the day.

Form 72. Express Motorman's Day Card. Size, 11 x 8½.

The express agents forward these reports of express motormen's time on Form 71 to the office of the division manager, where the time clerk uses them as his authority to allow the men time on their various runs.

There are various kinds of service other than the regular passenger and express service, such as switching and changing

Form 73. Non-Revenue Car Mileage. Size, 8½ × 8.

cars, wait orders, etc., for which the barn foreman may wish to allow time to motormen or conductors. Men employed in such work fill out for the barn foreman Form 73. The barn foreman incorporates this information in his own daily report on Form 71. The occasions calling for a report of this kind are in the aggregate very numerous.

Occasionally a man on a regular run does not receive his relief at noon as he should, or has to make an extra trip or two. In that case the time clerk will consult the conductor's day card (Form 1 or 2) before allowing him the extra number of hours he should receive. This furnishes a double check on the motormen and the conductors inasmuch as the conductor prepares the report.

THE WESSEX COMPANY ADJUSTMENT OF TIME						
Division.....						
Name No..... Rate.....						
Payroll, Week Ending.....19						
CLAIMS				GIVEN		
Date	Remarks	Reg.	Over	Remarks	Reg.	Over
Total				Total		
<div style="text-align: right; margin-right: 100px;">Add to.....No.....</div> <div style="text-align: right; margin-right: 100px;">Deduct from.....No.....</div> <div style="display: flex; justify-content: space-between;"> <div>Approved.....</div> <div>Time Clerk.....</div> </div>						

Form 74. Adjustment of Time. Size, 7½ × 7.

Adjustment of Disputed Time

Form 74 is used by the timekeeper when men are found short in their pay or when they complain of an error in their time. As the timekeeper cannot allow them any further wages on the records that he has, he makes out this form and hands it to the conductor or motorman, who goes to the barn and certifies his claim. In case the man is allowed extra time the barn foreman or superintendent will O. K. the slip and return it to the timekeeper to be included in the next week's pay-roll.

Varieties of Pay-Rolls

In making out the pay-rolls for the various departments several different forms are used, as follows:

Form 75, "Weekly Pay-Roll Sheet," used for office employees, conductors, motormen, and miscellaneous employees in the transportation department, and other employees who are paid a weekly rate.

Form 76, a monthly or weekly sheet used for officers or heads of departments, ordinarily in the general office only.

Forms 77 and 78, used for conductors and motormen in addition to the general form 75.

It has been pointed out that keeping the time of conductors and motormen is a complicated matter, inasmuch as the hours of every man may vary somewhat from week to week. It might be remarked here that whereas the instructions issued to timekeepers in connection with shop employees, linesmen, trackmen, etc., can be given very briefly, those issued in connection with conductors and motormen might fill as many as a dozen pages.

When detailed records by the day and hour are required, these may be given on Forms 77 and 78.

"OUTSIDE" ACCOUNTING WORK

PAY-ROLL										To SUNDRY PERSONS, Dr.	
THE WESSEX COMPANY											
DIVISION _____											
For services rendered during week ending _____ 191__											
We the undersigned, hereby acknowledge to have received of THE WESSEX COMPANY, the amount hereunto set opposite our names respectively, in full payment for our services for the time specified.											
NO	NAME	OCCUPATION	RATES OF PAY			TOTAL AMOUNT	NO.	SIGNATURES	REMARKS	Q.	BY
			Weeks per Week	Amount	Days per Day							Amount	Hours per Hour	Amount
1							1				
2							2				
3							3				
4							4				
5							5				
6							6				
7							7				
8							8				
9							9				
27							28				
28							29				
29							30				
30											
TOTALS											

I certify that the persons named above have been employed in the service of THE WESSEX COMPANY during the time and in the manner specified, and that the time, rates and amounts are correct.

Approved _____ Approved _____ Approved _____
 Approved _____ Approved _____ Approved _____
 Controller _____ Vice-President _____
 Vice-President _____

Form 75. Pay-Roll-General. Size, 15 X 17.

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OFFICERS PAY-ROLL	
Treas No. _____	Month of _____
Audit No. _____	Month of _____
<div style="border: 1px solid black; padding: 5px; display: inline-block;">Reverse side of above form</div>	

Form 76. Pay-Roll—Officers (face and reverse). Size, 8½ × 14.

PAY-ROLL															
____ LINES															
THE WESSEX COMPANY															
For services rendered during week ended _____ 191__															
We the undersigned, hereby acknowledge to have received of THE WESSEX COMPANY, the amount set opposite our names respectively, in full payment for our services for time specified															
NO.	NAME	NO.	OCCUPATION	Sat.	Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Total	Rate per hour	TOTAL AMOUNT	SIGNATURES	REMARKS OR WITNESSED BY
1															
2															
15															
TOTALS															
I certify that the persons named above have been employed in the service of THE WESSEX COMPANY during the time and in the manner specified, and that the time, rates and amounts are correct.															
Approved (Head of Dept.) _____ Approved _____ Approved _____ Time Clerk _____ Manager _____ Certified for Payment _____ President _____ Vice-President _____ Comptroller _____															

Form 77. Pay-Roll—Conductors and Motormen. Size, 15 X 17½.

PAY-ROLL															
<div style="display: flex; justify-content: space-between;"> _____ LINES THE WESSEX COMPANY To SUNDRY PERSONS, Dr. </div>															
For services rendered during week ended _____ 191____															
We the undersigned, hereby acknowledge to have received of THE WESSEX COMPANY, the amount set opposite our names respectively in full payment for our services for time specified.															
NO.	NAME	NO.	OCCUPATION	TIME IN HOURS							TOTAL AMOUNT	SIGNATURES	REMARKS OR WITNESSED BY		
				Sat.	Sun.	Mon.	Tue.	Wed.	Thur.	Fri.				Total	
1															
2															
3															
4															
5															

34															
35															
36															
TOTALS															

I certify that the persons named above have been employed in the service of THE WESSEX COMPANY during the time and in the manner specified, and that the time, rates and amounts are correct.

Time Clerk, _____

Approved, (Head of Dept.) _____ Approved, _____ Approved, _____

Certified for Payment, _____

Manager _____ Vice-President _____ Comptroller _____

Form 78. Pay-Roll—Conductors and Motormen. Size, 15 X 17.

Approval of Time Slips for Outside Work

The following points should be observed by the division manager's time clerk.

When employees belonging to one department do work for another they should prepare a time slip showing what work they do and the amount of time spent upon it and hand it to the head of the department for which the special work was done. He will approve the time slip, indicate the amount chargeable and the rate of pay, if different from the man's usual rate, and forward the slip to the timekeeper of the department to which the man belongs. The department timekeeper will enter the time with the rate, and charge the time to the proper account as shown on the time slip.

When the rate of pay is different from the usual rate it can be entered on the line provided for overtime, or if this is already filled, between the lines. The total amount of time worked at each rate should be added and carried into the total column. The rate should be shown and the amount of money due at that rate entered in the column "amount." The total amount due each man should be carried out into the column "Total Amount."

To illustrate, if a trackman is used for a few hours as a helper in the shop, his time for that work will be approved by the shop foreman and sent to the track department to be entered on the track department pay-roll, and so on.

When a conductor or motorman is used for other work the time should be handled as follows:

He should prepare a time slip in the usual way on Form 69 or the similar form for conductors and turn it over to the head of the department for which the work was done. That department must approve the slip and forward it to the timekeeper of the conductors and motormen. It also prepares a report of such time allowed on Form 73 which should show the conductor's or motorman's name, time on duty and off

duty, with a description of the work done. Time of this kind refers principally to operating work cars for other departments. It should be grouped or summarized as far as possible according to the account to be charged. It may be entered on the conductors' or motormen's pay-roll.

Weekly Wage Table

The methods in vogue for determining the wage table for employees whose salaries are on a yearly or monthly basis but who are paid on the weekly roll are not at all uniform. A man whose salary is \$1500 a year is placed on the weekly roll at \$28.85 on some properties and \$28.80, which is correct, on other properties. The following table of wages showing the daily and weekly equivalent for monthly rates of pay will assist all accountants in this connection.

DAILY AND WEEKLY EQUIVALENTS OF MONTHLY RATES
OF PAY

Month	1 Day	2 Days	3 Days	4 Days	5 Days	6 Days	Week
\$15.00	\$.50	\$1.00	\$1.50	\$1.95	\$2.45	\$2.95	\$3.50
16.00	.55	1.05	1.60	2.10	2.65	3.15	3.70
17.00	.55	1.10	1.70	2.25	2.80	3.35	3.95
18.00	.60	1.20	1.80	2.35	2.95	3.55	4.15
20.00	.65	1.30	1.95	2.65	3.30	3.95	4.65
21.00	.70	1.40	2.05	2.75	3.45	4.15	4.85
22.00	.70	1.45	2.15	2.90	3.60	4.35	5.10
22.50	.75	1.50	2.20	2.95	3.70	4.45	5.20
23.00	.75	1.50	2.25	3.00	3.80	4.55	5.30
24.00	.80	1.60	2.35	3.15	3.95	4.75	5.55
25.00	.80	1.65	2.45	3.30	4.10	4.95	5.80
26.00	.85	1.70	2.55	3.40	4.25	5.15	6.00
29.00	.95	1.90	2.85	3.80	4.75	5.70	6.70
30.00	1.00	1.95	2.95	3.95	4.95	5.90	6.95
32.50	1.05	2.15	3.20	4.25	5.35	6.40	7.50
34.00	1.10	2.25	3.35	4.45	5.60	6.70	7.85
35.00	1.15	2.30	3.45	4.60	5.75	6.90	8.10
36.00	1.20	2.35	3.55	4.75	5.90	7.10	8.30
37.00	1.20	2.45	3.65	4.85	6.10	7.30	8.55

EQUIVALENTS OF MONTHLY RATES—*Continued*

Month	1 Day	2 Days	3 Days	4 Days	5 Days	6 Days	Week
37.50	1.25	2.45	3.70	4.95	6.15	7.40	8.65
38.00	1.25	2.50	3.75	5.00	6.25	7.50	8.75
39.00	1.30	2.55	3.85	5.15	6.40	7.70	9.00
40.00	1.30	2.65	3.95	5.25	6.60	7.90	9.25
42.00	1.40	2.75	4.15	5.50	6.90	8.30	9.70
42.50	1.40	2.80	4.20	5.60	7.00	8.40	9.80
43.00	1.40	2.85	4.25	5.65	7.05	8.50	9.90
45.00	1.50	2.95	4.45	5.90	7.40	8.90	10.40
48.00	1.60	3.15	4.75	6.30	7.90	9.45	11.10
50.00	1.65	3.30	4.95	6.60	8.20	9.85	11.55
55.00	1.80	3.60	5.40	7.25	9.05	10.85	12.70
57.00	1.85	3.75	5.60	7.50	9.35	11.25	13.15
58.00	1.90	3.80	5.70	7.65	9.55	11.45	13.35
60.00	1.95	3.95	5.90	7.90	9.85	11.85	13.85
62.50	2.05	4.10	6.15	8.20	10.25	12.35	14.40
65.00	2.15	4.25	6.40	8.55	10.70	12.80	15.00
70.00	2.30	4.60	6.90	9.20	11.50	13.80	16.15
72.00	2.35	4.70	7.10	9.45	11.85	14.20	16.60
72.50	2.40	4.75	7.15	9.55	11.90	14.30	16.70
75.00	2.45	4.95	7.40	9.85	12.35	14.80	17.30
80.00	2.65	5.25	7.90	10.50	13.15	15.80	18.45
85.00	2.80	5.60	8.40	11.20	13.95	16.75	19.60
90.00	2.95	5.90	8.90	11.85	14.80	17.75	20.75
95.00	3.10	6.25	9.35	12.50	15.60	18.75	21.90
100.00	3.30	6.60	9.85	13.15	16.45	19.75	23.05
105.00	3.45	6.90	10.35	13.80	17.25	20.70	24.20
110.00	3.60	7.25	10.85	14.45	18.10	21.70	25.35
115.00	3.80	7.55	11.35	15.10	18.90	22.70	26.50
120.00	3.95	7.90	11.85	15.80	19.75	23.65	27.55
125.00	4.10	8.20	12.30	16.45	20.55	24.65	28.80
135.00	4.45	8.90	13.30	17.75	22.20	26.65	31.10
140.00	4.60	9.20	13.80	18.40	23.00	27.60	32.25
150.00	4.95	9.85	14.80	19.75	24.65	29.60	34.55
166.67	5.50	10.95	16.45	21.90	27.40	32.90	38.40
175.00	5.75	11.50	17.25	23.00	28.75	34.50	40.30
200.00	6.60	13.15	19.75	26.30	32.90	39.45	46.05
208.33	6.85	13.70	20.55	27.40	34.25	41.10	47.95
210.00	6.90	13.80	20.70	27.60	34.50	41.40	48.35
220.00	7.25	14.45	21.70	28.95	36.15	43.40	50.65
225.00	7.40	14.80	22.20	29.60	37.00	44.40	51.80

The above rates are made to end in 0 or 5 in all cases. If the fraction is less than one-half of five cents, it is dropped, if more than one-half, five cents is added; but in some of the weekly equivalents that rule is disregarded so that the amount of 52 payments plus the pay for one day will not be less than the yearly amount at the stated rate per month.

The figures \$166.67 and \$208.33, in the "Month" column above, represent of course a yearly salary of \$2,000 and \$2,500 respectively. The practice is to use these figures for eleven months, and then for the twelfth month draw a check for an amount which will complete the even \$2,000 or \$2,500.

CHAPTER XI

THE PAY-ROLLS — SPECIAL PROCEDURE AND CHECKING

Increases and Changes

It should be a rule of any company that no increase in rates of pay and no addition to the employees should be made on the pay-rolls without proper authority. For necessary changes the procedure may be as follows: When an employee's rate of pay is to be increased Form 79 is used.

THE WESSEX COMPANY	
Division	19....
Mr.....	
.....	
Dear Sir:—I recommend that the pay of.....	
employed as be changed from \$.....per.....to \$.....	
per.....to take effect.....19...., for the following reasons:	
.....	
.....	
.....	
(Signature)	(Official Title)
Respectfully referred to the General Manager, with recommendation that the increase be allowed.	
.....	
.....19....	
The Foregoing Change in Pay is Authorized to Commence with	
the Pay-roll for Week Ending.....19....	
.....19....	
.....	
NOTE—This form is to be attached to the weekly Pay-Roll for the Vice-President's information.	

Form 79. Increase of Pay. Size, 7 × 6½.

This form should be carefully filled out by the official having immediate jurisdiction, and the reasons for the change clearly stated. When approved by the president or other authorized officer, it should be attached to the pay-roll on which it is made effective and sent to the comptroller's office. No change should be made without proper authority.

When Sliding Scale Is in Effect

Where a sliding scale of wages is in effect a question always comes up as to when a change should be made to the next higher rate. The following plan may be suggested: After a man has completed his first year's services he is entitled to an increase in rate. Conductors and motormen who are entitled to such increase by reason of having completed an additional year of service on a Saturday are allowed the new rate on the pay-roll of that same Saturday. Conductors and motormen who are entitled to a new rate on a Sunday, Monday, or Tuesday, are given the new rate from the preceding Saturday, thereby getting the benefit of the two or three days, as the case may be. Conductors or motormen who are entitled to the new rate on Wednesday, Thursday, or Friday will be given the new rate from the succeeding Saturday. These men will lose the benefit of the one, two, or three days, as the case may be.

In other words, changes in the rate of the men are to be made effective only on the first day of each pay week. This plan is effective only when the pay-roll week ends Friday night and the new pay-roll week begins Saturday morning.

When Force Is Increased

When increases in the force are made Form 80 is used. The division and date are filled in, and all required information given by the official requesting the increase. When properly endorsed by other officials and approved by the president or

THE WESSEX COMPANY		
Division		
.....		19....
Mr.....		
.....		
Dear Sir:		
Authority is hereby requested to increase the force of the		
.....by employing the persons named		
(Department or Division)		
below commencing with the pay-roll ending.....19....		
for the following reasons:		
Name or Number of Men	Occupation	Rate of Pay
.....	\$.....	per.....
.....	\$.....	per.....
.....	\$.....	per.....
.....		
.....		
.....		
.....(Official Title).....		
Respectfully referred to the..... with recom-		
mendation that this increase be allowed commencing with		
the pay-roll week ending.....19....		
.....		
(Name)		
.....19....	.....
(Date)	(Official Title)	
.....		
The above mentioned increase in force is authorized to		
take effect with the pay-roll week ending.....19....		
.....19....		
Note Instructions on the Back of This Sheet.		

MEMORANDUM				
Roll No.....	Item No.....	Name	Occupation	First Appeared week ending
INSTRUCTIONS				
<p>1. In using this form, particular attention should be given to state the date when it is desired to have the increase take effect, and if the increase is temporary it should be so stated. When the form is attached to the pay-roll, a memorandum should be made on the back of form, giving the number of the roll, item, and the date of the pay-roll week the name first appears on.</p> <p>2. In emergency cases where it is impracticable to attach the form to the roll to which it belongs, a memorandum should accompany the roll showing the number of men employed, occupation and rate, and the number of the roll, item, and date of the pay-roll week the employee's name first appeared on; with the further information that form has or will be forwarded to cover, if one is found necessary.</p> <p>3. When this form, covering emergency cases, is received properly approved, it should then be sent at once to the office of the Comptroller,, after noting thereon the information as called for by Clause 1 in above instructions, and not hold form over to be attached to rolls of following week.</p> <p>4. In cases where authority is given to employ a certain number of men and they are not all put on during any one week, the form should be attached to the roll containing the names of men hired, together with the date of the pay-roll week the names appeared on.</p> <p>Whenever further increases are made under the same authority, a memorandum or letter, should accompany the rolls on which the names appear, giving the roll number, item and date of the pay-roll week the names first appeared on and refer to the roll, by date, to which the authority (this form) is attached. In order to give this information correctly, time clerks should keep a memorandum on file in their office for reference.</p> <p>5. When the full completion of men has been hired, the fact should be so stated.</p>				

Form 80. (b) Increase of Force (reverse).

other authorized official, it should be attached to the pay-roll on which it is made effective and sent to the comptroller's office. The instructions on the back should be carefully followed.

Resignations and Promotions

In reporting changes in the pay-roll which did not involve either an increase in the number of men or in the rates of pay Form 81 is used.

Suppose John Smith is employed as sub-station operator or blacksmith at \$2.50 a day, and John Brown as assistant

Form 81. Change of Pay-Roll. Size, 8 × 10½.

The department, division, and day of pay-roll week should be indicated. In the proper columns the name and occupation of the man who has left the service should be filled in; whether he resigned or was discharged should be stated, and the particulars of the changes made because of such resignation or discharge. In the case cited above the record would run as follows: John Smith, sub-station operator, or blacksmith, resigned, date. Brown, sub-station operator, or blacksmith, promoted to succeed Smith, resigned. Robinson (new man) employed to succeed Brown, promoted.

Form 81 should be signed by the local representative of the department and approved by the division manager. It should be attached to the pay-roll on which the changes are made and sent to the comptroller's office.

Additional Pay-Roll Suggestions

The following suggestions should be observed with regard to the form of the pay-rolls:

1. The last name of the employee should appear first on the pay-roll, followed by his initials or first name. Uniformity as to this point is important.
2. So far as possible names should be arranged alphabetically by departments. Where there is a large number of employees designated as equipment inspectors or line-men, that particular class of employees should be arranged in alphabetical order.
3. The pay-roll should not include the name of any employee who has been discharged, or who has left the service. In making up the roll in advance it may be necessary to write the names as they appeared the week before, but when the rolls are completed the timekeeper should strike off the name of any employee who has left the service or been discharged since the pay-roll sheets were written up. This is an important matter, because, in preparing the classification of employees, men might be included erroneously under a particular class if a timekeeper neglected to cross off from the roll the name of some employee who had left the service of the company.
4. In preparing the conductors' and motormen's pay-rolls all the men getting one rate of pay should be grouped together as far as possible; the names within this group should be placed in alphabetical order.
5. The names should be copied on the pay-roll so far as possible in the same order each week.

It would be well for the local office to retain an impression copy of the pay-rolls each week, as well as of Forms 79, 80, and 81, so that in the event of a roll's being lost in transit after leaving the local office a copy could easily be made. It would also be useful to the local time clerk in case of dispute as to the amount of wages due.

Pay-Roll Proof Sheet

While making out the conductors' and motormen's pay-rolls from the time slips turned in daily from various sources, the time clerk will find it useful, and in fact it should always be a rule, to prepare a daily pay-roll proof sheet as per Form 82.

This form is used as a summary of the timekeeper's work each day showing the regular time and the overtime posted

THE WESSEX COMPANY		
.....DIVISION		
PAY-ROLL PROOF SHEET		
	Conductors	Motormen
Regular Car Hours as per Schedule		
Extra Car Hours as per Barn Sheets		
Miscellaneous Car Hours as per Barn Sheets		
Changes in Running Time		
Express Car Hours		
TOTAL		
Regular Time Posted on Pay-roll		
Over " " " "		
I certify that the above is a total of the time posted to various men whose names appear on the pay-roll as of this date.		
Date.....19.... Signed..... Time Clerk		

Form 82, Pay-Roll Proof Sheet. Size, 7½ × 10.

from the time slips and also the miscellaneous changes in running time, express time, etc., the total of which must equal the regular schedule or running time of all cars, plus or minus any changes made in that schedule.

This proof sheet form will be found very handy. One can tell by looking at it exactly how much difference there is between the actual time allowed the men and the actual time posted on the pay-rolls. If the timekeeper is careful to carry it out each day there will be no question whether the pay-roll is absolutely correct. There will be occasional cases, of course, where the proof sheet does not exactly check because of a few minutes allowed or not allowed by the barn foreman. Experience will show very little variation, however, and the proof should be worked out each day.

Prompt Notice of Errors to Comptroller

The time clerk may discover after the pay-rolls have been sent to the comptroller's office that they included names of men no longer employed by the company, or that they credited employees with a larger amount than is correct. He should notify the division manager who will then notify the division cashier, and the time clerk should send a copy of this notice to the comptroller. The notice states what change should be made and to what account the man's wages have been charged so that proper adjustment can be made in the distribution.

Checking Pay-Rolls in Comptroller's Office

The pay-rolls when made up are sent to the comptroller's office as soon as possible after the close of the pay-roll week, which according to the plan sketched in this book is on Friday night. The new pay-roll week commences on Saturday.

When the pay-rolls from the various divisions reach the comptroller's office, usually on Monday morning, the clerk who has special charge of this matter should first see that the

rolls are prepared in accordance with instructions issued by the comptroller to the division managers. The rolls should then be distributed to the various clerks assigned to this duty to be checked for mathematical correctness. When the checking is completed a voucher should be made up for the total amount in favor of the division cashier and initialed by the clerk who did the checking. The rolls with the voucher should then be submitted to the comptroller for his signature and approval for payment. The voucher, as soon as approved, should go to the voucher register clerk and then to the company treasurer. He signs a check for the amount due and forwards it to the division cashier, who must then cash it at the bank and obtain the necessary funds, in the proper denominations to pay off the entire pay-roll. The pay-rolls in the meantime have been sent from the comptroller's office by registered mail to the division cashiers, who have the duty of actually paying the division employees. The latter part of the process after the rolls reach the comptroller is entirely under the direction of the chief clerk, thus relieving the clerk in charge of the pay-roll work.

Payment of Employees

In connection with the actual payment the following points should be observed by the division cashiers:

1. Every employee must sign the pay-roll as he receives his pay envelope. In most cases this requirement is easy to meet but there are certain exceptional cases.
2. It will sometimes happen that after the receipted rolls have been returned finally to the comptroller's office the division cashier will receive a request from some employee for payment, or a request to pay some other party. In this case, in addition to an order from the employee, the cashier must always obtain the signature of the party he pays and be sure to attach to the receipted roll the employee's order.

3. At times it may be impossible for a man to be present at the time of payment to receive his money in person. In this case he may send an order to the division cashier to pay the wages to another person for him. To facilitate the proper filing of such notifications with the receipted pay-rolls, Form 83 has been provided.

THE WESSEX COMPANY	
PAYMASTER:	
Please pay to.....	
my wages for the week ending.....	
Approved	Signed
.....	

Form 83. Assignment of Wages. Size, $5\frac{1}{2} \times 3$.

Paying Illiterate Employees

Where a system of receipts is in effect there is only one legal way of dealing with employees who cannot write. It may be illustrated as follows:

I. WHERE NUMBERS ARE USED

Signature
#486 His
X
Mark

WITNESS
Tom Smith

2. WHERE NAME IS USED

Signature
His
Tony X Esposito
Mark

WITNESS
Tom Smith

From the above it can readily be seen that it is necessary to write in the number or the name of the employee in addition to the signature of a witness. "His Mark" can be either written in or put on with a rubber stamp.

To make the above illustration more clear it might be added that a pay-roll which contains either the names or numbers of employees can be stamped in the signature column "His Mark" right down through the page. When the employees are paid off the cashier has merely to see that the employee makes a mark, and may then fill in the employee's name or number, with his own or his assistant's name in the witness column. Under no circumstances should the paymaster make the cross for the employee. The employee must make the cross himself or touch the pencil while it is being made.

All receipted pay-rolls, together with the usual certificate on Form 84 should be forwarded to the comptroller's office on the Friday following the day on which the employees were paid off.

THE WESSEX COMPANY			
I hereby certify that the persons named on this pay-roll for the week ending _____ have been paid the sums set opposite their respective names excepting those named below, and that the amounts for those not paid are held by me.			
NAME	OCCUPATION	AMOUNT	
		TOTAL	
OFFICE _____ DATE _____			
Division Cashier or Paymaster: _____			

Form 84. Certificate to Pay-Rolls. Size, $8\frac{1}{2} \times 14$.

Unclaimed Wages

When wages are not claimed at the regular payment time the division cashier should enter all amounts not properly receipted in the records of unclaimed wages, Form 85. This entry will agree with Form 84 above. On the following morning, Saturday, all the money for unclaimed wages in the cashier's hands should be placed in the bank, in a special deposit credited to an account called "Paymaster's Account." This deposit should be reported to the treasurer to be credited to "Paymaster's Account." A list should be sent to the comptroller's office, giving the details of this deposit and showing the name, occupation, amount of wages, and the week.

After the receipted pay-roll has been sent to the comptroller's office all payments of wages reported unclaimed will be paid by the division cashier, unless the claim for wages is more than six months old (see page 193) from the working fund (see page 71), a receipt for the sum being secured on the regular pay-roll sheet (Form 75).

THE WESSEX COMPANY					
RECORD OF UNPAID EMPLOYEES					
Week Ending	Paymaster's Number	Name	Occupation	Amount	Date Paid

Form 85. Record of Unpaid Employees. Size, 8 × 14.

Payment of Wages Not Claimed at Regular Time

When a man calls for his wages after the pay-roll covering them has been returned to the comptroller's office the records should be looked up. If the man's name is entered there the cashier should take a copy of the regular pay-roll sheet and

write on it the man's name and occupation, and across the space provided for "Time" the day or the week for which he is to be paid, and the amount.

The employee should sign this in the space provided and the cashier should enter in the "Unclaimed Wage Book" (Form 85) in the column "Date Paid," the date the payment was made. The clerk making the payment should enter his initials in the column "Paymaster's No." When taking receipts on the regular pay-roll form each line on the form may be used for a separate payment, so that one sheet will be a receipt for all the payments of this nature made. If necessary, of course, two sheets may be used.

This additional pay-roll sheet or sheets should be handled just like any other. It should be entered on the week's pay-roll voucher as a separate item: "Unclaimed Wages \$———" When the pay-roll check is received from the company treasurer the division cashier should take out the amount called for by that item and reimburse the working fund. To illustrate, during the week ending July 13 suppose \$50 is paid out of the working fund in payment of unpaid wages for previous weeks. A receipt is taken on the pay-roll (Form 75). When the regular voucher to cover the pay-roll for the week ending July 13 is being prepared it should be arranged to include this \$50 on it as directed above. This pay-roll sheet should be sent in to the comptroller's office with the voucher covering it and should be charged on the distribution (Forms 86, 87) to "Unclaimed Wages." Assuming that the regular pay-roll for the week ending July 13 was \$5,000, the cashier would in the case shown above draw a voucher for \$5,050. On the distribution the comptroller's office would charge "Pay-roll Suspense" with the supposed \$5,000 and Unclaimed Wages with \$50. The regular pay-roll distribution would be made up as heretofore for \$5,000. Very great care should be exercised, particularly in keeping up Form 85.

THE WESSEX COMPANY Distribution of Pay-roll, week ending _____ Division _____ No. _____ <small>NOTE - Details of Accounts marked * should be shown on separate report as per instructions.</small>						
NO.	NAME	AMOUNT		NO.	NAME	AMOUNT
	I-MTCE. WAY AND STRUCTURES				Total Brought Forward	
1	Supt. of Way and Structures				IV- CONDUCTING TRANSPORTATION	
8	Track and Roadway Labor			63	Supt. of Transportation	
8	" " " " * Other Div.			64	Passenger Cond., Motormen & Trainmen	
9	Misc. Track and Roadway Expenses			65	Frigh & Exp. " " " "	
10	Paving			66	Misc. Car Service Employees	
11	Cleaning and Sanding Track			67A	" " " Expenses-Pass.Dept.	
12	Removal of Snow and Ice			67B	" " " " -Exp.Dept.	
15	Bridges, Trestles and Culverts			68A	Station Employees-Pass. Dept.	
16	Crossings, Fences and Signs			68B	" " " -Exp. Dept.	
17	Signals and Interlocking Apparatus			69A	Station Expenses-Pass. Dept.	
	II- MAINTENANCE OF EQUIPMENT				V- TRAFFIC	
29	Supt. of Equipment			79	Superintendence and Solicitation	
30	Passenger & Combination Cars			80	Advertising	
30	" " " " * Other Div.			81	Parks, Resorts and Attractions	
31	Freight, Express and Mail Cars			82	Miscellaneous Traffic Expenses	
	III- POWER				VI- GENERAL AND MISCELLANEOUS	
45	Supt. of Power *			84A	Salaries & Exp. Genl. Office Clks.-Pass.Dept.	
46	Power Plant Bldgs Fixtures & Grounds *			84B	" " " " " -Exp. Dept.	
47	Power Plant and Equipment *			86	Law Expenses	
48	Substation Equipment *			89A	Misc. Genl. Expenses-Pass. Dept.	
52	Power Plant Employees *				Scrap Expense *	
57	Substation " *				Casualty and Insurance Reserve	
					Fuel Inventory *	
					Authorizations *	
					General Stores *	
					Eastern Power Co. *	
					C.&D. Recollectible	
	Total Carried Forward				Grand Total	
Approved: _____ <div style="text-align: center; width: 100px;">Manager</div>			Correct _____ <div style="text-align: center; width: 100px;">Time Clerk</div>			

Form 86. Weekly Distribution of Pay-Rolls. Size, 8½ × 14.

An important matter for the division managers to observe is that of the distribution of pay-rolls. For this Form 86 is used. The pay-roll charges are distributed among the primary accounts of the operating expense schedule prescribed by the Interstate Commerce Commission on pages 9 to 42 of their Uniform System of Accounts for Electric Railways, 1914. A plain sheet of the same size, Form 87, is used to show details for which there is not room on Form 86.

[illegible]

Form 87. Distribution of Pay-Rolls. Size, 8½ × 14.

When the receipted pay-rolls reach the comptroller's office a week after being paid they must be carefully checked again.

A card index of all division employees in all departments of the company is kept on Form 88. The receipted pay-rolls must be checked against this. Any changes in salary or position should be noted and recorded upon the cards after the increases have been verified by authorities as explained above. After all receipted rolls have been properly checked and verified they should be put away until a sufficient quantity is accumulated and then bound in volumes and placed in the files.

Form 88. Index Card of Employees. Size, 6 × 4.

The checking of monthly pay-rolls should be handled by special clerks or be under the strict supervision of the comptroller.

Writing Off Unclaimed Wages

Every six months an entry should be made in the general journals writing off the amount of unclaimed wages for the previous six months. That is, in June all unclaimed wages should be written off up to December 31 of the previous year.

"OUTSIDE" ACCOUNTING WORK

THE WESSEX COMPANY									
Distribution of Pay-rolls for Month of _____								Division _____	
Note: Details of accounts marked * should be shown on separate sheet.									
No	ACCOUNT NAME	No. No. _____ days ending _____	Less Estimate _____ days ending _____	No. No. _____ days ending _____	No. No. _____ days ending _____	No. No. _____ days ending _____	Estimate for _____ days ending _____	Total	No
1	Supt. of Way & Struct.								1
8	Track & Roadway Labor								8
8	" " " " O.D.								8*
9	Misc. Track & Roadway Exp.								9
10	Paving								
11	Cleaning & Sanding Track								
12	Removal of Snow and Ice								
15	Bridges, Trestles & Culverts								
16	Crossings, Fences & Signs								
17	Signals & Interlocking App.								
18	Telephone & Telegraph Lines								
19	Misc. Way Expenses								
20	Poles and Fixtures								
21	Underground Conduits								
TOTAL WAY & STRUCT.									
29	Supt. of Equipment								
30	Passenger & Combin Gas								
30	" " " " O.D.								
31	Freight, Express & Mail Cars								
31	" " " " O.D.								
32	Service Equipment								
32	" " " " O.D.								
33	Electric Equip't of Cars								
TOTAL MTCE. OF EQ/PMT									
45	Supt. of Power								
46	Power Plant Bldg. Fix. & Ground								
47	Power Plant Equipment								
48	Substation Equipment								
49	Transmission System								
TOTAL POWER									
Carried forward to Sheet 2									
Checked by _____ Entered _____ Exp. Ledger _____ App. Led _____ Sub Exp. Ledgers _____									

THE WESSEX COMPANY									
Distribution of Pay-rolls for Month of _____								Division _____	
Note: Details of Accounts marked * should be shown on separate sheet.									
No.	ACCOUNT NAME	No. No. _____ days ending _____	Less Estimate _____ days ending _____	No. No. _____ days ending _____	No. No. _____ days ending _____	No. No. _____ days ending _____	Estimate for _____ days ending _____	Total	No
Total Brought forward									
63	Supt. of Transportation								
64	Passenger Conductors, Motormen & Trainmen								
TOTAL COND. TRANSP.									
79	Supt. and Solicitation								
80	Advertising								
TOTAL TRAFFIC									
84A	Salaries and Exp. of Gen'l Office Clerks, P.D.								
84B	Salaries and Exp. of Gen'l Office Clerks, Express D.								
86	Law Expenses								
TOTAL GEN'L. & MISC.									
Scrap Expense *									
Casualty & Insurance Res. *									
Fuel Inventory *									
C & D Recollectible *									
GRAND TOTAL									

Form 89. Distribution of Pay-Rolls. Size, 10½ × 14.

When this is done the division cashiers should be notified so as to bring their records into accord.

A record called "Paymasters' Account" is kept in which is entered the account of unclaimed wages in the hands of the local cashiers. It covers one week only, as the cashiers deposit once a week the amount on hand for the second week previous.

Final Record and Journal Entries

After the distributions have all been received and checked they should be written up on Form 89, which combines the weekly distributions into a monthly distribution report. From this, in turn, are prepared the necessary entries for the general journals.

CHAPTER XII

THE PURCHASING DEPARTMENT

Volume Large but Procedure Simple

A street railway, like any large business, requires a large and constant supply of materials. To avoid duplication, waste, and disproportionate cost, every street railway company maintains a purchasing department, through which pass all orders for supplies except emergency orders. The accounting department has little to do directly with this process until it comes to checking the goods obtained and paying the bills. Indirectly, however, the accounting department is very much concerned with the methods followed by the purchasing department to insure that adequate checks and records of all transactions are provided and observed.

While the volume of business handled by the purchasing department is very large, the procedure is readily standardized and made simple, so that in this connection it may be dismissed rather briefly. The method here outlined may be used to advantage whether the purchasing department is large or small. There are four steps to be considered: (1) making the requisition, (2) buying, (3) invoices, and (4) following up back orders.

Making the Requisition

All purchases are made only upon properly approved requisitions. Most of these requisitions are made up by the division stores keepers, who should anticipate their wants, or in other words arrange to keep an ample supply of current stock on hand.

Requisitions for new material are prepared by the official under whom the material is to be used. A requisition blank should be provided somewhat like Form 90, "Requisition on Purchasing Agent." This blank should be prepared in duplicate, the original to go through and the duplicate to be held by the person writing the requisition. The requisition should be approved by the proper officials: the division manager and general manager, when the material is to be used in the maintenance of the property; the chief engineer when the material is to be used in the maintenance of property under his supervision; and the construction engineer when it is required for work under his supervision; or, when occasion arises, by any official who is empowered to order supplies or materials.

THE WESSEX COMPANY					
_____ 191					
To the Purchasing Agent: The following articles are required for the Company's use and should be delivered to _____ at _____					Dept. _____ G.S.K. _____ P.A. _____
Item No.	Quantity Required	DESCRIPTION OF ARTICLES	For what purpose req'd	Do not use these columns for Purchasing Agents' use only	
1					
24					
I certify that I have examined the above requisition and am satisfied that the articles enumerated therein are necessary for use, and not in excess of immediate requirements. _____ Stores Keeper _____ Genl Stores Keeper					

Form 90. Requisition on Purchasing Agent. Size, 8½ × 11.

All requisitions receive the final approval of the president and are then forwarded to the general stores keeper, who determines whether there is material of that sort at any point on the property which can be diverted to obviate the proposed purchase of new material. The general stores keeper consults with the chief engineer and the engineer of construction as to the specifications for all supplies. After he is assured of the

proper delivery of material purchased, he must certify bills for the same and forward them to the comptroller for payment.

Contracts for all materials and equipment negotiated by the purchasing agent must be submitted to the president for approval before execution.

Buying

On receipt of requisitions correctly drawn and approved by the proper official, the purchasing agent either orders the

<p style="text-align: center;">ORIGINAL THE WESSEX COMPANY PURCHASING DEPARTMENT</p> <p>Order No. Req. No. Mark above numbers on each package, invoice and bill of lading.</p> <p>Please ship the following material, marking each package The Wessex Company, care of</p> <p>Send original and duplicate of invoice to Purchasing Agent, triplicate and bill of lading to consignee unless otherwise directed. No invoice to cover material on more than one order.</p> <p>Freight charges must be prepaid to destination on all shipments; where material is sold F. O. B. point of shipment, add the charges so paid to the bill for reimbursement.</p> <p>See Notice on Back, Which Please Read Carefully.</p> <p>In case it is necessary to ask for information regarding any items on this order, please give name of consignee as well as order and requisition numbers.</p> <p style="text-align: right;">..... Purchasing Agent</p>

NOTICE

1. Do not hold goods to complete order in one consignment, but make shipments as material may be ready, sending a complete set of invoices on our forms to cover each shipment as directed on the face of invoice blanks. State where goods are sent, number of packages, number and date of this order and number of req. on each invoice and bill of lading.
2. Invoice blanks will be mailed to you when written for.
3. Do not send more goods than are ordered, as they will not be paid for, but will be returned at the expense of the consignor.
4. Bills are payable at the office of the Treasurer of The Wessex Company.
5. Accounts for current month will be closed on the first of the following month, and bills received after that date go into the next month's account, regardless of the date they may bear.
6. This company will not be responsible for any goods shipped, unless by order of the Purchasing Agent.
7. Drafts will not be honored by this Company.
8. This Company will not pay for Packages or for Cartage.
9. All material is purchased subject to this Company's inspection when received; rejected material to be returned at expense of shipper.
10. When car number and initial can be obtained it should be shown on invoice.
11. If promises of delivery of any or all items do not meet our requirements we reserve the right to purchase elsewhere, notifying you. Should any portion of this order be unfilled at the expiration of 60 days from its date, we reserve the right to cancel said unfilled portion, notifying you.
12. This Company will not pay interest charges on bills overdue.
13. Assignments will not be acceptable to this company.

Form 91. (b) Order Blank (reverse).

goods, or sends out for prices or bids in competition so that he may be in a position to buy where the cheapest goods consistent with the proper quality can be obtained. Some companies use a regular form letter for the purpose of getting quotations and there is no objection to this method if the company is large enough to warrant such procedure.

It is very important for accuracy in checking records that all orders be prepared on a uniform order blank, for example, Form 91. This order blank should be in triplicate. The original is signed by the purchasing agent and is mailed to the party from whom the material is to be purchased; the duplicate is retained as an office copy; the triplicate is sent to the official to whom the materials or supplies are to be shipped.

Invoices

As the bills or invoices for material purchased come in they are forwarded to the purchasing agent's office, where the quantity will be checked against the order and the price against the quotation or against the regular list or catalogue price. This branch of work in the purchasing agent's office should be done with great care. Billing clerks often make errors, and unless their errors are caught by the purchasing agent the company may lose a considerable sum of money during a year. After the invoices have been checked and the purchasing agent has approved them they should be forwarded to the comptroller's office and there dealt with as explained in Chapter XX.

Following Up Back Orders

Where orders for material are many and varied, as is the case with any large company, there will be frequent delays and difficulty in obtaining the goods desired. An important part of the purchasing agent's duty, therefore, consists in following up all back orders or bills that for any cause have been delayed. If this is not done, the supply of materials is apt to run low; furthermore, invoices may not be presented on time.

In this matter the accounting department is directly concerned, as, unless the materials ordered with their proper invoices are presented on time, the accounting department is unable to reflect the true condition of the company upon its books.

CHAPTER XIII

THE STORES DEPARTMENT — RECEIPT AND ISSUE OF MATERIAL

Relation to Accounting Department

Complementary to the purchase of material is the matter of keeping track of and distributing company supplies.

The procedure in connection with the stores work is necessarily much more complex and detailed than that of the purchasing department. The stores department is organized with a main office under the charge of the general stores keeper and division offices under division stores keepers, these latter responsible in certain ways to the general stores keeper and also as explained in Chapter I, to the division managers. In the case of the stores department, in fact, the division office is particularly important. The general stores keeper, of course, supervises and correlates the activities of all the divisions, but the actual work of the department is done mainly through the division offices.

The accounting department touches the work of the stores department in two ways. It has a general supervision over the methods of recording the receipt and distribution of material, and it has the duty of checking over the storeroom accounts once or twice a year through an inventory.

Routine in Stores Department

With regard to handling material, the methods of the stores department, while practically uniform in principle, may

differ somewhat in minor details according to local conditions and the size of the various divisions. So far as practicable, of course, all the division stores keepers should follow the same rules in connection with their work and the routine should be as simple and as complete as possible. This routine may be conveniently grouped under six heads:

1. Requisitions
2. Receipt of Material
3. Issue of Material
4. Care of Material While in Stock
5. Transportation Charges and Scrap
6. Inventories

Requisitions

The process of ordering supplies has been explained already in Chapter XII. The requisition (Form 90) for all orders is prepared in duplicate in the office of the division manager or of the division stores keeper, as the case may be. The original is sent to the general stores keeper and the duplicate is retained by the division stores keeper.

It is most important that the essential points in every requisition—quantity, number, etc.—shall be entered immediately on a stock card (Form 92) and the requisition then placed on file.

This stock card amounts in reality to a running or perpetual inventory of the material which is supposed to be in the storeroom at all times. It shows the name and description of articles; the amount or number on hand according to the last inventory; the amount and price of all goods purchased; the monthly consumption or amount used as detailed on reverse side of card; and the balance on hand at the end of every month. These cards are a vital record for the storeroom and great care should be exercised to see that they are accurately filled out.

[illegible]

Form 92. Stock Card. Size, 11½ × 17½.

Receipt of Material

All material received should be carefully checked and examined and then as carefully recorded and stored where it can be readily found. In every case it should be counted or weighed and its condition closely noted. If it is accompanied by a shipping memorandum or triplicate invoice of the mate-

Sheet No.....

DAILY REPORT
THE WESSEX COMPANY

.....191

Stores Keeper:

The following Material has been rec'd this day by.....

At..... Signed by.....

Quantity	Description of Material	Name of Shipper	State Whether Received by Frt., Express or Team	If Freight State Pro. Number	Where Stored (State Location)

--	--	--	--

If Material is Received in Bad Condition Note Same Below

Remarks

Form 93. Daily Report of Material Received. Size, 8½ × 5½.
(Columns continued on reverse of form)

rial purchased, the date of receipt should be stamped or written thereon, with a notation as to quantity and condition. If there is no shipping memorandum the items checked should be noted on a "Daily Report of Material Received in Store-room" (Form 93).

Checking with Shipping Memorandums

The shipping memorandums should be turned in to the stock-room office of the division storeroom at the end of each day. The stock-room office will enter the quantity and date in the respective columns on the stock card. The shipping memorandums which are held on file should bear the order number.

If there are discrepancies between the material received and the shipping memorandum or triplicate invoice, a notation should be made in pencil on the stock card after the order number and also on the purchasing agent's order, which is on file. All shortages and incorrect shipments should be reported to the purchasing agent and a copy of the report should be sent to the general stores keeper.

After all material is received, the date of receipt should be marked on the purchasing agent's order opposite the item. When all the items are received on any one order, the copy of that order should be sent to the stock-room office and placed on a numerically arranged file of completed orders.

Stock Cards and Invoices

To facilitate the balancing of the stock cards at the end of the month, the unit in which the goods received are reckoned—dozens, pounds, gallons, etc.—should correspond with the unit which is used in the column of issues. For instance, nails should not be listed by kegs among articles received and by pounds among articles issued. The quantity and price on the triplicate should therefore be reduced to the terms used in

the unit of issues and the entry made on the stock card should be in accordance therewith. It is essential that the date of material received should include the year date.

To facilitate the subsequent pricing of material so that it may be issued at the correct price, it is important that each lot as it is received should be given a lot number, as explained below.

When the freight bill is received, that also should be entered on the stock card and the bill properly stamped. It is important that the figures on each stock card be carried out to the column "Price Including Freight."

The original invoices for material ordered are sent from the comptroller's office to be checked. They should be compared with the triplicates, and if in order they should be duly signed to indicate that the material has been received and marked up to show the proper accounts chargeable and the dates when they were passed.

The stores keeper will give each invoice a number. The triplicates should bear this number, together with the date when they were passed, and this information should also be entered on the stock card. In cases where no triplicate is received from the shipper, the stores keeper will make up a memorandum in similar form for his files.

Rule for Charging Material

All material which is handled in any way by the stores keeper should be charged to General Stores. There are one or two exceptions to this rule which need a word of comment. Even in the cases of these exceptions, however, it should be insisted that all material handled by the men in the storeroom should be charged *at first* to General Stores, until such time as it is used, and should then be reported in the regular way in the monthly report of material used.

Car bodies, trucks, and wheels purchased for new cars

under authorization might be considered exceptions to the rule just stated. The invoices covering them should be charged to the proper authorization and not to General Stores account. This applies only to material for new cars, however, and not to trucks and wheels purchased to replace others which are worn out; these, of course, will be handled in the usual way. When air brakes and electrical equipment are received, each case should be taken up with the comptroller's office for a ruling. One other possible exception is that of large new machinery for power stations.

Expediting Discount Bills

All discount bills should be passed immediately. If any of them are passed before the material to which they refer is received, proper steps should be taken to hurry that material along; if the material has not been delivered after a reasonable time, the matter should be taken up with the purchasing agent and copies of the correspondence sent to the comptroller's office. The triplicate invoices should be transferred to a file designated as "Invoices Passed to Comptroller's Office."

When Invoice Is Lacking

If, after receiving the material, the original invoice or manifest is not received within a reasonable time, it is essential that steps be taken to secure the invoice. In order to lessen the number of cases of this sort, all stores keepers should prepare on the first of January, April, July, and October a list of such invoices as they should have passed, but which they have not yet received. For this they should use Form 94, "Report of Uninvoiced Material."

This list should cover all material received up to one month prior to the date of the report. After everything possible has been done to obtain the missing invoices, lists should be forwarded to the comptroller's office where further steps

Form 94. Report of Uninvoiced Material. Size, 8½ × 11½.

Monthly Report of Invoices Passed

This report will be reconciled in the comptroller's office with the list of invoices actually vouchered during the month, and a notice will be returned to the division stores keeper, who will make the necessary adjustments in his records and commence the next month's report with the balance as given by the comptroller's office.

Form 95. Invoices Passed During Month. Size, 8½ × 14.

Issuing material is the most difficult part of the work of the stores department. The possibilities of confusion and waste at this point are very great, particularly if the road is organized by divisions and extends through different localities. Every part of the procedure outlined below, accordingly, must be very carefully observed.

When materials are wanted from the storeroom by the representative of any department, an issue slip or "Foreman's Requisition for Material" (Form 96) is filled out by the foreman concerned, signed, and presented to the division stores keeper.

These issue slips must in every case be prepared most carefully. Each day the stores keeper should go over the slips which have been presented and price them according to the unit prices shown on the corresponding stock cards. Care should be taken to have all columns on these slips properly

THE WESSEX COMPANY FOREMAN'S REQUISITION FOR MATERIAL				
To Stores Keeper: Please deliver the following to bearer Charge to _____				191__
Quantity	Description	Weight or Measure	Price	Amount
Delivered _____		Prices and extensions correct _____		Signed _____ Foreman

Form 96. Foreman's Requisition. Size, 7 × 3¼.

filled out to show not only the quantity, description, and amount of the material chargeable to a certain account, but also the price of each article. If that is done, a representative from the accounting department will be able at any time to check up the correctness of the amount charged against the various operating accounts for material furnished.

To illustrate the above, it will not be sufficient for stores keepers to show simply:

3 Brooms	\$.75
4½ tons of Rail	157.50

But every slip should be completed and carried out as follows:

3 Brooms at 25 cents each	\$.75
4½ tons of Rail at \$35 per ton	157.50

Another point which must be insisted upon in every store-room is that of having all requisition slips properly signed. Stores keepers should be careful to see that every requisition for material drawn from the storeroom is signed by an authorized party. It would also be a good plan for the various stores keepers to fill out the first two of the blank

spaces provided at the bottom of the requisition slips under the word "Delivered" and the words "Prices and Extension Correct." This point need not be insisted upon, but it would be better to have those blanks filled out.

Final Disposition of Issue Slips

The accounts chargeable should be noted on the issue slips by the foreman requesting the material. The quantities issued should then be posted on the issue side of the stock cards.

Each day as soon as all the items on the issue slips have been posted on the stock cards, they should be extended or figured as to total amount. At the end of the month the issues should be sorted as to accounts chargeable and entered on the distribution book or sheets. This may be done during the month, if convenient. The extension of issues, the posting in the distribution book, and the footing of the distribution should be rechecked by a second clerk, if possible.

It is essential that the issue slips for each particular lot of material received should be priced at the purchase price of each lot. Assuming that purchases have been received as follows and prices, including freight, were:

100	at \$	.10	each
100	"	.09	"
50	"	.08	"

the first hundred issues should be priced at 10 cents each, the second hundred issues at 9 cents, and the next fifty at 8 cents.

When a requisition represents a quantity which according to the stock card would appear to be the remainder of one lot and a portion of the next lot, the requisition should be priced and extended at the two different prices and quantities, and entered on the card under the two different lots; a small bracket reaching to the date would indicate that the requisition of that date represented both of those quantities.

It is very important that the monthly issues and balance be entered on the stock cards as follows: the consumption for the month under the two columns "Monthly Consumption"; and in the last double column under "Month" and "Quantity," the balance on hand at the beginning of the following month.

Issuing Material to Other Divisions

What has been said refers to material issued by a division stores keeper for use on his own division. It frequently happens, however, that material is transferred from one division to another. Such issues to stores keepers on other divisions will be billed through on the regular manifest (Form 97) and charged to the General Stores account of the receiving division. These manifests are put up in books, four copies to each manifest.

Treatment of Manifests

The receiving stores keeper checks the original copy of the manifest as a receiving memo; the duplicate he signs and returns to the shipper; and the triplicate he retains as his office record. The signed duplicates returned from the receiving storeroom are taken into the division accounts and sent in with the division stores keeper's regular report. It should be understood that the duplicates sent in should include only those duplicates which were signed and returned to the issuing storeroom not later than the second day of the month just closed. All duplicates returned later than the second day of each month are included in the next month's report. This provision is made so that the reports of the issuing and receiving stores keepers will agree.

The forwarding stores keeper, upon receipt of the signed duplicate referred to above, will charge the storeroom to which the material was issued. The stores keeper should see that he gets back the signed duplicate within a reasonable time.

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THE WESSEX COMPANY

MEMORANDUM WAY-BILL FROM STORES KEEPER TO AGENT FOR MATERIAL FORWARDED

ORIGINAL

FROM _____ TO _____
 FOR _____ DATE OF WAY-BILL _____ THE 191____
 _____ CAR INITIALS _____ CAR NO. _____

STORE RECORD

DATED _____ 191____

REQUISITION _____

INVOICE **453**

DESCRIPTION OF ARTICLES	Packages No. of	Reqn	Weight	Quantity	REMARKS

SHIPPER

INVOICE **453** Received _____ the _____ 191____ of the
 Stores Keeper at _____ in good order and
 condition, the articles described above for shipment as indicated.

Agent:

[illegible]

<h2 style="margin: 0;">THE WESSEX COMPANY</h2> <h3 style="margin: 0;">COMPANY'S INVOICE FOR MATERIAL FORWARDED</h3> <h3 style="margin: 0;">QUADRUPLICATE</h3>			
FROM _____ FOR _____	TO _____ DATED _____ THE _____ 191 ____		
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Received above Articles in good order</p> <p>_____ 19 ____</p> <p>_____</p> </div> <div style="width: 50%;"> <p>Note:-This blank must be filled out and forwarded to the consignee with each shipment and must be receipted and returned by him to the party shipping the material.</p> <p>Note: All discrepancies in weight or count in red ink on face of Invoice.</p> </div> <div style="width: 5%; text-align: right;"> <p>We have shipped this day, in your care, the articles described above.</p> </div> </div>			
<p>_____ Stores Keeper</p>			

Form 97. Manifest (in quadruplicate). Size, $8\frac{1}{2} \times 7\frac{3}{4}$. Subject matter of triplicate like that of duplicate, heading like that of quadruplicate.)

The issuing stores keeper will not charge the receiving stores keeper until he has obtained a receipt for the material. He should bear in mind, moreover, that when material is charged to other divisions it should be charged at exactly the same rate at which he charges his own division; nothing should be added for labor or other charges in connection with the transfer, except in special cases of large shipments of rails or similar material.

When issue slips have served their purpose they should be bound or put up in packages and carefully filed.

The issue slips are summarized at the end of each month on large classification sheets (Form 98), under the proper account numbers according to the Interstate Commerce Com-

[illegible]

Form 98. Classification Sheet of Material Issued. Size, 21 × 16.

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Form 99. Report of Material Issued from Storeroom.
Size, 8½ × 14.

mission's uniform system of accounts. A small columnar book may be used instead of the classification sheets.

As soon as these sheets are totalled for each month, the figures are drawn off on the monthly report of materials issued (Form 99), which should be forwarded promptly to the comptroller's office, as called for on the form itself.

This form is printed in copying ink so that an impression copy can be made. On it should appear the total amount of issues from the division storeroom. It will be noted that wherever any of the accounts are subdivided or are chargeable to other divisions, they are marked with a star. All such accounts should be shown in detail on Form 100. Here should

THE WESSEX COMPANY									
Detail of Storeroom Report - Month Ending _____									
Division _____									
								Total Amount	
Approved: _____						Correct _____ Storeroom Clerk			

Form 100. Detail Report of Material Issued from Storeroom.
Size, $8\frac{1}{2} \times 14$.

appear the number and name of the account chargeable and the name of the division; the amount chargeable to each division should be entered in one of the short columns, carrying the total for each division out into the last column. If this is done the amounts appearing in the column headed "Total Amount" on Form 100 will equal the amounts appearing under the respective accounts on Form 99 which are chargeable to other divisions or to the subdivided starred accounts.

At times material is received for which it is necessary to complete certain unfinished work in one of the shops. It is important that such work be done on a shop order, the charges to be entered on the copy and the total when completed entered on the stock card. Form 101 shows such an order.

[illegible]

Form 101. Shop Order. Size, 8½ × 16.

These orders should be numbered and prepared in quadruplicate. The original is given to the division manager; the triplicate to the master mechanic; the second and fourth copies are retained by the division stores keeper. When the order has been filled the master mechanic should return his copy, showing the cost of the labor. To determine the unit price the cost of materials is added to the cost of labor and the number of items divided into the total. Upon the completion of the work these entries should be made on the stock card: (1) made on

shop order No.; (2) date received; (3) quantity; (4) price per unit. The shop order should then be filed.

Issuing Material to Outsiders

Where material is sold to other companies or to outside parties, as sometimes happens, it is desirable to render bills promptly. Information should be furnished the comptroller's office, therefore, in a report on the 7th, 14th, 21st, and last day of each month, on Form 102. This detail report should give a list of the charges that the division stores keeper has to pay and sufficient detail to enable a bill to be rendered intelligently in the comptroller's office, supposing the work to have been finished. After each item notation should be made to indicate whether the bill is final or not.

A copy of this report should be retained in the office of the division stores keeper. At the end of the month when the regular storeroom report (Form 99) is sent in, it should show in the lower right-hand corner under "C. & D. Re-collectible" the total of the four period reports on Form 102 that have been sent in during the month, which will be credited in the comptroller's office in the usual manner to the General Stores account, that is, as the bills are made up.

THE WESSEX COMPANY									
Detailed List Charges - Week Ending _____									
Division _____									
									Total Amount
Approved: _____					Correct: _____				
					Stores Keeper				

Form 102. Charges for Material Issued to Outside Parties.
Size, 8½ × 14.

CHAPTER XIV

THE STORES DEPARTMENT—CARE OF STOCK AND INVENTORIES

Care of Material in Stock

This matter is almost as important and as full of possible difficulties as the procedure with regard to receiving and issuing of material, particularly in a road organized by divisions, where from the necessity of the case purchases cannot all go through the one general storeroom.

In the first place it is a very useful practice for division stores keepers to make a periodical test, checking all stock on hand with the balances as shown at the end of the month on the stock cards—that is to say, a sort of informal inventory. It would, of course, entail much time and work to try to check up the entire stock-room. The stock cards, therefore, should be divided into three or four lots, according to the size of the division, checking one lot one month, the second lot the next month, etc.

Not infrequently there will be cases where material has been issued but returned to stock later on as fit for further use. When material is to be so returned to the storeroom, a credit slip or memorandum (Form 103) should be used. These slips should then be posted on the stock cards as a credit to material issued, and should show as a credit on the monthly classification or summary of issues. If the material to be taken back into stock consists of a large quantity, or if it is material left over from an authorization job (see page 229), a report should be made out and forwarded to the comptroller,

THE WESSEX COMPANY FOREMAN'S SCRAP AND UNUSED MATERIAL CREDIT TICKET					
					19.....
TO STORES KEEPER: Please receive the following and credit to.....					
Quantity	Description	Do Not Write Beyond This Line	Weight or Measure	Price	Amount
Received: Prices and extensions correct: Signed: <div style="text-align: right;">Foreman.</div>					

Form 103. Scrap Credit Ticket. Size, 7 × 3½.

showing quantity, description, and the proper account to be credited. It is desirable that the division stores keepers make an investigation each month to locate any such material that the foreman may have overlooked. A credit memorandum should be filed with the issue slips at the end of each month.

Care of Material Outside the Storeroom

It is a well-known fact that stores keepers encounter more or less trouble in keeping accurate record of the larger materials, such as ties, rails, poles, etc., used by the track and line service, and of the material purchased for authorization work, which is often kept outside the storeroom. The stores keeper is more or less obliged to accept the issue slips turned in by the different foremen covering material used each day as being correct, when often they are not correct; and incorrect

charges are accordingly made to the several classes of material, and frequently to operating expenses or to authorizations. As a result, large adjustments must be made at some later date when the discrepancy is discovered, and in many cases after the authorizations have been closed.

To lessen this difficulty the stores keeper should inventory material of this nature on the 31st of October each year. This day practically terminates the season when most of the work in which this material is used is done and the supply of such materials will be at its lowest. These inventories may then be compared with the stock card records and any differences investigated and adjusted.

Freight Bills Stamped by Stores Keepers

In order to be uniform in the method of indicating on freight bills sent to stores keepers the information needed to determine the disposition of the charges in the accounts, the instructions of this and the following section should be observed.

The freight bills are sent from the comptroller's office to the stores keeper, so that he can indicate on the back of the bill the account chargeable, the order and requisition numbers, the name (and address, if "re-collectible") of the shipper, the terms under which the material was ordered, that is, "Point of Shipment" or "F. O. B. Destination," and also in what month the bills are to be taken up.

In cases where shippers should have paid the freight on some goods consigned to the company but neglected to do so, the stores keeper is required to mark on the back of the freight bill the name and address of the shipper, so that a bill can be made out and the amount due for freight charges can be duly collected.

The stores keeper should be provided with three stamps reading "Point of Shipment," "F. O. B. Destination," and

"Invoice Not Received." After comparing the freight bill with the original invoices, as all indorsements are to be made on the strength of the original invoice only, he should mark them with one of these stamps. In no instance are freight bills to be held over ten days. If it is found after a lapse of ten days that the original invoice has not been received, the freight bill should be stamped "Invoice Not Received." It is not necessary to mark the bills as chargeable to some outside party, as the comptroller will bill the shippers on all freight bills stamped "F. O. B. Destination."

There are times when a consignment is sent forward and terms are "F. O. B. Line of Road." In any such instance the freight bill should be marked accordingly and the place given as the same from which the shipment originated, in order that the comptroller's office may know just how to handle the freight bill.

In order that the local stores keeper's report of freight bills charged to General Stores account during a certain month may correspond with the records in the comptroller's office, the comptroller should arrange to send him a list on the first day of each month, showing the numbers on freight bills charged to General Stores account during the previous month. The stores keeper should keep a record of all freight bills passed, and thus it will not be difficult for him to ascertain the total amount of freight bills to be taken into his General Stores account each month.

When to Charge Transportation, Etc., to General Stores

Bills covering freight charges, cartage, etc., and pay-roll charges covering any loading, inspecting, and handling of materials and supplies for general stores, should be charged to General Stores provided the amount is sufficient to increase the unit price of the material by at least one cent. When the amount is not sufficient to increase the unit price by one cent,

the bills and pay-roll charges should be charged to those operating expense accounts which are most likely to be affected by the material in question.

The bills covering freight and cartage should be approved by the division stores keeper when charged to General Stores and by the division manager when charged to Operating Expenses.

Charges from the pay-roll should be arranged for with the division stores keeper in advance so that he may determine whether or not they should be charged to General Stores. Stores keepers should be advised promptly each week of the amount charged to General Stores by any person who has been authorized to make such charges. When more than one kind of material is being handled, the party advising the stores keeper should state how much is charged to each kind of material.

The division stores keeper should add the various items referred to above to his unit price of material, and when issuing that material or making an inventory of it, should report it at a price which includes invoice price, freight, cartage, and labor—that is, inspecting, loading, etc.—in accordance with the above plan.

The freight and cartage bills when charged to General Stores will be included in the list of invoices passed in the usual way, each bill being listed separately so that it can be returned for checking up in the comptroller's office when the "reconciliation report," or summary of debits and credits against the storeroom, is made up.

The labor charges are included in the list of invoices passed as pay-roll charges.

Report of Scrap Accumulated

A very important matter is the disposition of scrap, that is to say, material which cannot be utilized again. With a large

Form 104. Division Report of Scrap. Size, 8½ × 11.

street railway company there will be a very considerable amount of such scrap material which is collected, accounted for, and sold once a month or so for what it will bring. It should be reported by the division stores keepers to the general stores keeper once a month on Form 104, "Monthly Scrap Report." This report is prepared in duplicate; the original is forwarded to the comptroller and the duplicate is retained for the division stores keeper's files. The report should show the quantity (estimated if not known) of every kind of scrap

material accumulated during the month and received from other divisions. From this total the amounts sold and transferred during the same period should be deducted, leaving the balance on hand as of the last day of the month. The prices at which these reports will be figured are furnished by the general stores keeper monthly. Each item should be extended so as to show the total estimated value of scrap accumulated during the month, regardless of whether it has been shipped to the general stores keeper, or sold to outside individuals, or is still on hand. It should not include any scrap listed on the previous month's report.

On the same report a detail should be shown of the scrap accumulated and the scrap received from other divisions during the month as follows:

Kind of Scrap	Amount Tons or Pounds	Price Per Ton or Pound	Total Value	Credit		Remarks
				Division	Account	

The quantities collected should be determined by actual weight as far as possible, especially in the case of scrap copper or brass. Scrap iron and steel as a rule must be estimated. Great care should be exercised to obtain as nearly as possible a correct figure, thus reducing to a minimum the amount of adjustment needed after each particular lot is sold.

One of these reports should be sent in each month by every division stores keeper, whether any scrap is accumulated or not. All information called for on the blank should be furnished and, if anything is not clear, it should be taken up with the comptroller's office. A report should be made as soon as possible after the first of the month, and received at

the main office not later than the tenth of the month. (For further discussion of the treatment of scrap see Chapter XVIII.)

Inventories

The subject of inventories might be treated at length. There are many varying ideas in regard to the relative merits, for example, of perpetual or running inventories as compared with periodical inventories. No one disputes, however, that an inventory of all materials and supplies, in fact, of all movable things, should be taken at least once a year. This matter will be treated further in connection with Chapter XXIV. For the purposes of this book the periodical inventory will be the only one discussed.

The following outline contains the substance of instructions from the comptroller's office to the division stores keepers as to the methods to be observed in taking the annual inventory of general stores of materials and supplies:

1. Inventories of all materials and supplies, including not only the storeroom stock and the stock of rails, ties, etc., carried outside, but also an inventory of spare equipment stock and spare material in the shops, should be taken on a certain date.

2. The inventory will be made up on Form 105. Materials will be inventoried in their regular classes in accordance with instructions issued by the general stores keeper. The inventory must be taken by actual count, weight, or measure, and must be a complete survey of all materials and supplies. The general inventory above described should not include spare equipment, i.e., stock which has been charged out but not yet used, or second-hand equipment, i.e., scrap. Inventories of these two kinds of material should be taken on separate sheets and not mixed in any way with the inventory of the regular stock.

Form 105. Inventory Form. Size, 8½ × 11.

3. All materials noted on Form 93 as having been received prior to the date of the inventory, but for which no invoice has been received, should be listed on separate sheets and marked "Exhibit B." This exhibit should show the date when each article was received, where from, the quantity, description, price, and account.

5. All reports of inventories should be received in the comptroller's office within two or three weeks. Extra help will be provided, if necessary, to insure the inventory being sent in on this date. All applications for such extra help

should be made direct to the comptroller. Inventories should, of course, be forwarded as soon as completed and as much in advance of the date specified as possible.

6. Each inventory must be signed personally by the party taking it, and certified to by the stores keeper of the division where the inventory is being taken. The division stores keeper will also sign a regular certificate which will be provided from the main office.

7. As for the inventory of spare equipment and second-hand material, it would seem best to have that taken by the master mechanic and then priced and typewritten by the division stores keeper. The inventory of scrap material, however, should be taken by the division stores keeper.

8. The report of the division stores keeper showing the invoices taken into stock, and the storeroom balance for the month in which the inventory is taken, should be held until about the 10th of the following month, then completed and mailed to the comptroller's office. This will greatly assist the comptroller's office in checking the material shown on the inventory for which invoices have not yet been received there.

9. A representative of the comptroller's office will be on hand to advise and assist in taking the inventory.

CHAPTER XV

ADDITIONS AND BETTERMENTS

Necessary Records

Every street railway does a great deal of work in the way of extensions and improvements or, to use the phrase of the Interstate Commerce Commission, "additions and betterments." The company is constantly relaying track, rebuilding overhead work, remodelling car houses and power stations, and purchasing new equipment in order to keep the property in good condition and to utilize the latest methods. When a piece of track is removed it is usual to put in a better and heavier rail; when a power station is remodelled, to put in more modern machinery. As a general thing, the difference between the cost of the old and the cost of the new is charged to "Additions and Betterments." It is very important, therefore, to have a thoroughly good cost system, or, as it is usually called in the street railway business, an "authorization system," so that nothing chargeable to Extensions and Improvements is charged to Operating Expenses, and vice versa.

Complete records should be kept at all times so that information as regards cost per mile of track, costs of overhead or equipment work, etc., for either current or former years, can be obtained on short notice for the officers of the road or for commissions. All extension or improvement work must accordingly be covered by properly approved authorizations.

Authorizations

By the word "authorization" is meant definite written instructions from the proper officials of the road to do certain

things. Authorizations are prepared in the office of the engineer in charge of power and equipment, or of the engineer in charge of construction, or by the maintenance engineer, as the case may be, and are approved by the president and board of directors. The work may be done either by the engineering force of the company itself or through outside contractors, but it is under the supervision of the company's engineers and in some cases also under the supervision of the manager of the division where the work is done.

The authorization system serves two purposes: In the first place, by insisting that no construction expenditure be undertaken without an authorization it insures that all such expenditures involving a question of policy are approved by the official who directs the policy of the road. His approval means that he has authorized not merely that a certain amount of money be expended, but that a certain undertaking shall be carried on as nearly as possible at an estimated cost. In the second place, it enables the accounting department to group readily all the expenditures under each different undertaking so that the records may show exactly what each undertaking costs. Thus it aids in preventing improper charges being made to construction.

Definite Limitations

An authorization covers certain specific things which it is estimated will cost a certain amount of money. An authorization, say for \$10,000, for double-tracking a certain line, should not be charged with any expense for relaying the existing single line unless the authorization stated that the existing line was to be relaid.

When the division manager is requested by the engineers in charge to do certain work under the authorization, charges are accepted for that work subject to the engineer's approval. The division manager should not undertake to do any work

or make any charges against an authorization outside of the work he has thus been requested to do without submitting the matter to the engineer in charge for his consideration.

When a new line has been built and the division manager believes that some tools or other facilities should be furnished, he should first ask the engineer if the authorization provides for them. If not, he should request a new authorization for what he needs. The engineers are held responsible for the expenditures under an authorization and in justice to them no charges should be made without their approval.

Authorization Material

Invoices covering material which has been taken into General Stores account and which it is not proposed to use immediately, even though it is intended for use under an authorization, should be handled by the division manager, charged to General Stores, and forwarded to the comptroller's office. The engineer who has charge of the work, however, should be informed that this material has been received.

The stores keeper should send a memorandum at the end of each month to the official in charge of each authorization, giving the amount charged against that authorization for material issued from stores during the month, also stating the number and title of the authorization and the amount charged to each account under it. With this there should be a list showing what the material consisted of. This applies to all authorizations which are under the care of any of the engineers. -

Pay-Roll Charges

Charges from the pay-roll in connection with authorizations should be charged on the pay-roll distribution in the usual way (see page 192). A report should be made each week to the official in charge of the authorization, showing

the amount charged from pay-roll distribution against that authorization, the number and the title of the authorization, and the amount charged to each account thereunder for that week. The nature of the work done should be stated also, not necessarily giving the names of the men, the rates, and amount of pay, but stating briefly what work the charges represent. For instance, if the work happens to be hauling rails, the amount should be charged to the proper account simply as hauling rails to such and such a point. The engineer supervising the work can thus pass intelligently on the charges.

In reporting charges against authorizations to the comptroller's office, both number and title should always be mentioned, otherwise there is chance of serious error.

THE WESSEX COMPANY	
<div style="text-align: right;">.....191.....</div>	
To Be Accompanied By Detailed Estimate and Sketch on Face of Form or Separate Plan of Proposed Improvement.	
Department No.....	Comptroller's No.....
Authority is asked for the expenditure of \$..... on the following work.	
Title Location Description	
~~~~~	
Necessity for proposed work. (State Saving in Dollars, Etc., as Far as Possible)	
~~~~~	
Charge to other corporations and individuals	
<div style="text-align: right;">.....</div> <div style="text-align: right;">.....Manager.....Board</div> <div style="text-align: right;">.....Approved for \$.....</div>	
Maintenance Engineer	Construction Engineer
Chief Engr. of P. and E.	Vice-Pres. and G. M. President
DISTRIBUTION OF CHARGES	
Additions and Betterments.....	.....
Equipment .....	.....
Operating Expenses.....	.....
Accounts Receivable .....	.....
~~~~~	
Suspense (to be determined later).....	
<b>TOTAL</b>	
.....191.....Comptroller	

**Preparation of Authorization Forms**

For all work in the way of additions and betterments a regular authorization blank should be prepared, such as Form 106. This form, with its attached papers, should be prepared in the following manner:

1. Every improvement form should show clearly on its face the total estimated cost of a proposed undertaking: the title of the job; the location, with the name of the town, city, or borough; and a brief description of what is to be done. All the information called for on the form should be given in every instance.

2. Every improvement form should be accompanied by the following data on sheets of the same size as the forms:

(a) Total estimated cost of the work, including incidental expenses classified as follows:

Incidental expenses according to classification of operating expenses.

Balance of cost according to classification of construction and equipment expenditures.

(b) Estimated length of time necessary to complete the work.

(c) Statements showing the method of distribution, indicating the amount charged to additions and betterments and what it consists of, and a similar statement for amounts charged to operating expenses. This is to enable the distribution to be checked intelligently and should be so prepared that it will disclose exactly how each feature of the proposed work has been treated in the distribution.

Four copies of each of the statements mentioned in 2 (c) above should be prepared, showing the title of the authorization and signed and dated by the official preparing it.

3. Estimates for authorizations should be classified according to the rules for Additions and Betterments accounts set forth in the Interstate Commerce Commission's "Uniform System of Accounts for Electric Railways."

4. The Additions and Betterments account referred to in the preceding paragraph should be charged with additional structures, facilities, or equipment not taking the place of anything previously existing, and with the enlargement or improvement of existing structures, facilities, or equipment, or the proper portion of the cost of new structures or facilities of an improved or higher class that replace others previously existing.

5. Operating Expenses as referred to in paragraph (2) should be charged with the incidental expenses in connection with the work, such as keeping tracks in repair and in condition for handling the traffic during the progress of the work (including the cost of protecting traffic while passing over the tracks); moving and relocating telephone or telegraph poles and other structures; and with the original cost, estimated, if not already known, of the structure or facility replaced or abandoned.

#### **Treatment of Salvage Material**

6. The estimated amount of salvage represented by scrap material or second-hand material returned to the storeroom should be stated as a footnote, but the authorization should be for the gross expenditure and the distribution should be prepared on the assumption that there will be no salvage. The salvage is all to be credited to the proper operating expense accounts direct and not through the authorization.

7. In the case of power plant and other machinery replaced under an authorization and retired from service, when the old machinery is still serviceable and fit for use its estimated present value should be charged on the distribution

of the authorization to an account which is described as the "Replaced Machinery Stock" account (see page 280). A statement should accompany the authorization, enumerating each item of machinery, describing it so that it can be readily identified, and stating the estimated value of each machine. When the machinery is actually released from service and stored and held for future use or for sale, a report of that fact should be made to the comptroller, stating the date when it was retired from service, the place where it is stored, and in whose custody it is held.

### Leased Properties

8. If the company should operate leased properties as well as owned properties, the improvement forms covering the work done on property operated by the company should be divided into classes. Supposing for illustration that there are three leased lines, the improvement forms might be classified as follows:

- A covering property owned by the (operating) company
- B    "        "        "    "    " (first leased)    "
- C    "        "        "    "    " (second " )    "
- D    "        "        "    "    " (third " )    "
- E    "        all equipment

Separate forms should be used so that no authorization will include the work of more than one class, if it can be arranged.

9. In preparing the distribution for the improvement forms, all amounts properly chargeable to construction or improvement account should be charged as follows:

"Additions and Betterments, The ..... Company." This account should include all extensions, additions, and betterments made to the property owned by The ..... Company.

"Additions and Betterments, The .....  
Company." This account should include all extensions, addi-  
tions, and betterments made to the property of The .....  
..... Company which is operated by the .....  
.... Company.

"Equipment." This account should include all additions  
and betterments made to the equipment operated by The ....  
..... Company.

### Notices to Interested Officials

After the authorization blank reaches the comptroller's  
office, notices should be sent on Form 107 to the officials  
interested.

THE WESSEX COMPANY			
OFFICE OF THE COMPTROLLER			
Requisition No.	Date	Authorization No.	Date
Mr.			
Dear Sir:			
You are hereby notified that Requisition for a Special Authorization (your No. ) to be used in the following Improvements, viz:			
Has been Approved by the Proper Officers in the sum of \$ Chargeable as follows:			
To Operating and Expense \$		To Equipment \$	
To Additions and Betterments			
The work to be done by		Under the Supervision of	
Charge all Expenses to Comptroller's No.			
Title of Authorization			
In reporting to the General Office, the Comptroller's Number and the title of the Authorization must be given in every instance and charges subdivided in accordance with Regular Classification.			
Comptroller.			

Form 107. Notice of Approval of Authorization. Size, 8½ × 9½.

**Distribution of Charges**

As just explained, authorization blanks will show the distribution of charges to either "Additions and Betterments" or "Additions and Betterments" and "Operating Expenses." If the distribution is entirely to Additions and Betterments, the monthly expenditures are distributed on the regular authorization ledger to "Construction Work in Progress." If the distribution of an authorization is partly to Additions and Betterments and partly to Operating Expenses, the expenditures for the month are divided proportionately between the above accounts.

"Construction Work in Progress" is an account where all charges to additions and betterments may be placed until the completion of an authorization. As soon as the job is completed an entry for the general journal should be made, charging Additions and Betterments—Authorizations, and crediting Construction Work in Progress. Then the charge to Additions and Betterments should be distributed to the various subaccounts in the regular construction ledger. The construction ledger should be so arranged that all expenditures may be classified as between the various construction accounts and so summarized that information can be obtained at any time as to the total additions and betterments by divisions, by construction accounts, or by years.

Incidental expenses in connection with authorizations, such as keeping tracks in repair and handling the regular traffic of the road during the progress of the work, including the cost of protecting street traffic while passing over the tracks, should be charged to the authorization, but subdivided according to the classification of operating expenses.

Work done by the operating department for the construction department which is not in connection with the operation of the line at all, should be charged to the authorization and classified according to the construction classification.

In other words, everything chargeable to the authorization except incidental expenses should be classified according to the construction classification. Incidental expenses, that is, those expenses which during a reconstruction job would be unnecessary if the cars were not operating, but which are necessary because the cars are being operated during the progress of the work, should be charged to the authorization and classified according to the operating expense classification.

#### **Authorization Ledger**

A ledger should be provided somewhat like Form 108. During the current working period all amounts chargeable to an authorization for new work should be posted daily to this ledger from the vouchers and journal entries as they come through. Great care should be taken with regard to the information in the "Particulars" column. The explanation must be made perfectly clear, so that anyone will know exactly what the charge is for. When all the charges are in for the month they should be footed and an entry made up for the general journals charging the proper accounts and crediting the account "Authorizations for New Work." This account in the general ledger should exactly balance when this entry is posted. If it does not, the bookkeeper should immediately run down the difference.

While making up the journal entry a number of questions will probably present themselves, regarding which the clerk in charge should apply to the chief clerk. One rule, however, that may well be followed is this: When the amount expended under an authorization exceeds the amount provided, all the excess expenditure should be charged against Additions and Betterments. In other words, in distributing the expenditures under authorizations between Additions and Betterments and Operating accounts, divide the expenditures, so far as the authorization goes, on a percentage basis, charg-

Form 108. Authorization Ledger. Size, 42 x 17½.



ing to Operating Expenses the amount called for on the distribution, but all excess expenditure to Additions and Betterments.

#### **Authorization Ledger Transfer Books**

When authorizations are completed they should be transferred from the current working authorization ledger to a transfer ledger. If there is a difference of more than 10% between the estimated amount and the amount expended, an effort should be made to get in touch with the engineer so that the authorization can be held open, if necessary, even though the work has been completed. If the difference between the estimate and the actual cost is within 10%, the authorization can be marked complete and so reported on the authorization statement at the end of the month. Material differences should be taken up immediately with the chief clerk so that any necessary adjustments in the accounts can be made as early as possible. After authorization sheets are put into the transfer ledger no charges should be made to the different authorizations unless the charge clearly shows that it is for an old bill or something which should have been charged while the authorization was active.

Regular invoice-size scrap-books make the best authorization books. In these the various authorities should be fastened in numerical order. The authorization number and title should show clearly at a glance. These books, of course, should be kept closely up-to-date.

#### **Additions and Betterments Ledgers**

Ledgers showing the regular additions and betterments accounts should be provided, to be written up each month and balanced with the Additions and Betterments account as shown on the general ledgers. If the road has leased properties, similar records should be kept for those.

**Authorization Index**

This index should be written up immediately on receipt of any new authorization instructions. The index should be carefully divided and subdivided, according to the different companies (if there is more than one company), and according to departments, also, and to divisions. The clerks should be cautioned to index immediately upon receiving the numbered authority.

**Charges Against Other Companies**

It may sometimes happen that an authorization has to be made up in connection with power station work, which is to be paid in part by the operating company and in part by some other company. A good general plan to follow in such a case is to have the authorization made in the name of the company which is bearing the major portion of the expense and to handle the amount chargeable to the second company through a bill or charge account.

When the proportion collectible from the second company is small, the simplest way to handle the matter is to wait until the authorization is completed before billing the second company and then to make a bill for the full amount.

Certain authorizations, however, may involve heavy charges against the second company, charges which sometimes must go to that company's "Operating Expense" account. In such cases it would be best to prepare a bill each month. The matter should, of course, be determined in advance in every case. The second company is not usually billed with a proportion of every expenditure on the authorization, but merely with its proper proportion of the expenditure under those accounts by which it is affected.

In order that the second company may keep a record of the expenditures, a memorandum sheet may be opened in its own authorization ledger, if this is kept in the office of the

operating company. In this ledger the authorization number is recorded and the amount of the bill from the operating company is also given and distributed like any charge to the authorization. A memorandum should be prepared for all such authorizations, showing the proportion of each account which should be charged against the second company.

There may be other authorizations the expenditures in connection with which are to be re-collected from some other source, either from a city or town, or from individuals. A bill should be made as soon as the authorization is closed unless there is some notation to the contrary.

### **Completed Authorizations**

When authorizations are physically complete the comptroller's office should be notified by the proper person. Then, after the engineers have been consulted to make sure that all bills are in, the authorization may be closed. After all charges are in, the total expenditures by construction account numbers should be submitted to the engineer in charge, who will, if necessary, make a redistribution of the exact expenditures, which may differ quite a good deal from the original estimate.

It frequently happens that expenditures of an incidental nature are made by engineers and charged against authorizations which have been reported closed for some time. If the expenditures have nothing to do with the construction, but have to do with repairs or up-keep and arise entirely from the operation of the road, they should certainly not be charged against the authorization, but against maintenance.

This rule should hold regardless of whether the expenses in question have been incurred by the maintenance authorities or by the construction engineers. It makes no difference who incurred the expenses. If they are a proper construction charge, they should be placed to the construction account without any reference as to who incurred them, and vice versa.

**Belated Bills—When Chargeable to Authorization**

When an authorization is "closed" on the books, this is done merely to get a piece of work which is no longer in progress off the current statement. It is a fact well known that in many undertakings it is almost impossible to determine positively when all the charges against an authorization are in until a long time after the work has been completed. In the interest of convenience it is the practice to report the authorization completed when, in the opinion of the engineers, the charges are all in.

If subsequently some belated bills are received, the fact that the engineers have reported the authorization completed should not make it seem necessary to the accountant to handle those charges improperly in the accounts. If the charges had been received before the engineer reported the authorization as closed, they would have been charged against it without any question and would have gone to the construction account. If they are proper construction charges, they should still go to the authorization and then to construction.

It is not fair to burden operating expenses with improper charges simply because the bills were late in getting in or because some matters were overlooked or forgotten. The engineer or manager who has jurisdiction should state why the charge is being made after the authorization has been closed, and should give all details to show that such charge is correct. The correspondence should then be placed on file.

**New Construction—Need of Careful Records**

Strictly speaking, the subject of new construction as distinct from the improvement and enlargement of existing property is outside the scope of this book. Building a new street railway is much like other construction work. The accounting problems which it presents are quite different from those with which the accounting department of a street rail-

way has to do once the road is organized and is in operation. It cannot be said too emphatically, however, that in any new construction work complete and clearly intelligible records should be kept in the interest of the road's future.

If in the past the owners and organizers of street railway companies could have realized that adequate construction records would become valuable assets in later years, less money would have to be spent today in appraising street railways and in searching records for information which should have been written up in proper construction records when the various properties were being built. Large sums are frequently spent in looking up old matters which should have been recorded definitely in the first place; and it is apparent from the condition of such scanty records as are available today that the builders of the street railways seldom realized the importance of this matter.

The Interstate Commerce Commission in its system of uniform accounts for electric railways has prescribed a very good system of road and equipment accounts, which should be followed in new construction work.

While the accounts and records needed for new construction work present no special difficulties of form, it is essential that they should be both complete and readily intelligible. The minutes of board meetings should be given to show the organization of the company. All engineering records should be carefully preserved and, in particular, the record of any expenditures for tentative or preliminary surveys. Some special pay-roll records or accounts with contractors employed to build the road are useful, but no special construction records need be kept outside of a good journal, ledger, cash book, and voucher record or voucher journal.

## **CHAPTER XVI**

### **MISCELLANEOUS WORK IN OTHER DEPARTMENTS**

#### **The Operating Department—Division Managers**

A large number of reports come to the comptroller's office from the division managers, the local representatives of the operating department. Some of these reports have been treated elsewhere in connection with the passenger service, express and freight service, the pay-rolls, stores, and additions and betterments. Among the other reports made by the managers, those which concern the supply of fuel, oil, and the output of power should be mentioned here.

#### **Monthly Report of Coal Consumption**

The managers should make a careful report monthly of the amount of coal received and consumed at all power stations on their divisions. For this Form 109 should be used. This form calls for comment as to certain points.

1. A separate report should be made for each power station on the division, each one to be headed with the name of the station and the name of the month in which the report is made. If two kinds of coal are used at the same station a separate report should be made for each.

2. The figure to be inserted in the line "Amount on hand first day of month" should give the quantity of coal on hand as reported by the manager on his previous month's report, unless that figure has been adjusted by instructions from the comptroller's office as explained in point 7 below.

## "OUTSIDE" ACCOUNTING WORK

THE WESSEX COMPANY									
This Report to be mailed to the Comptroller on the 4 th of each month.									
MONTHLY FUEL REPORT									
Name of Station _____						Month of _____			
Amount on hand first day of month _____								lbs. _____	
+ received during the month (see below) _____								" _____	
Amount used during the month:						Total _____		" _____	
For Power Purposes _____						lbs. _____		" _____	
For Shop Use _____						" _____		" _____	
For Heating Carhouse _____						" _____		" _____	
_____						" _____		" _____	
Amount on hand last day of month _____								" _____	
Remarks _____									
Amount on hand last day of month, as per actual measurements attached _____ lbs.									
COAL RECEIVED									
Date	Car or Barge			Kind of					
Unloaded	No.	Initial	Weight - Lbs.	Coal	F.O.B.	Shipper			
Total									
Approved: _____									
Engineer: _____									

Form 109. Monthly Fuel Report. Size, 8½ × 15.

3. The figure to be inserted on the line "Amount received during the month" should be the total of the detailed report below as explained under comment 8. The total of these two figures shows the amount of coal to be accounted for.

4. Under the heading "Amount used during the month" should be entered the amount of coal used or removed from the power station, not only the coal used for power purposes but that which is sent to repair shops for use there and that which is sent to car houses for heating purposes. In this case, of course, the name of the car house should be specified. Coal used for other purposes than these should be entered on one of the blank lines below with particulars as to its use.

The above amounts are entered on the first column which is totalled and the total carried over to the second column. This amount deducted from the total to account for gives the balance of coal on hand on the last day of the month.

5. The heading "Remarks" is intended for any information concerning the above items which the manager thinks should be noted.

6. Measurements of the coal piles should be taken and the quantity of coal on hand represented by those measurements should be calculated and entered on the line "Amount on hand last day of month, as per measurements attached."

These measurements must be taken according to the instructions covering the matter; that is, obtain the cubic contents of the bin or coal pile and then consider that there are 38.6 pounds to the cubic foot. All working papers, together with a sketch of the coal pile, should be sent in with the report. The managers should see that coal piles are kept so far as possible in regular shape through the month to facilitate measuring them.

7. These sketches and calculations are checked in the comptroller's office and, if any adjustment in the accounts must be made, the manager is notified of that fact and given the corrected amount of coal on hand; with these figures he starts his next month's report.

8. Under the heading "Coal Received" an itemized record should be given noting in every case the date unloaded, the number and initials of the car or barge, the weight in pounds, the kind of coal, f. o. b., and the name of shipper. The four columns at the right should be left blank as they are for the use of the comptroller's office. The column "Weight, lbs." should be totalled and should agree with the item "Amount received during the month" referred to in paragraph 3 above.

Coal from a partly unloaded car or barge should not be included in this report of coal received, but should be reported



after the car or barge has been unloaded, as neither the comptroller's office nor the power engineer has any record of coal being received until the car or barge is entirely unloaded. Managers should try to unload their coal entirely by the end of the month.

9. The report should be signed by the engineer and approved by the manager.

In this connection there are the reports of expense for delivering coal to power stations. Under this head should be included not merely the ordinary cartage from docks or railroad yards, but also the cost of getting the coal where the firemen can use it, whether the charge comes from contractors hired to perform the work, or from company employees. For example, if coal is unloaded from a company dock or from cars on the company tracks, and placed in a pile, say 200 feet from the power station, laborers must be employed to wheel the coal from this pile into the power station bins or where the firemen can get the coal. Such labor is a portion of the expense of delivering coal, and should be charged to the Fuel Inventory account.

There are also times when the coal pile requires trimming and any expense for this work should also be charged to the Fuel Inventory account.

#### **Power Station Output**

From each division a report of the output of all power stations on that division is sent in monthly on Form 110. The first line should be filled out with the name of the division and the date. On the next blank line the names of the different power stations should be written. If there is a central generating station and a substation, the word "substation" should be written after the name of the latter. In the proper column the total output of the stations and substations in kilowatt-hours for the month should be entered.

**Form 110. Power Station Output.** Size, 8½ × 14.

On divisions where there is railway service only and where the power furnished from each of the stations is furnished for railway use only, the output of its stations and substations is shown on the line marked "Railway"; the entries should be so arranged that generating stations come first and then substations. The information called for under the two headings "Kilowatt Sales" and "Lighting" applies only to

those divisions where there are both railway and lighting services; this line, therefore, need not be used on railway divisions.

On those divisions where there is only lighting business, the output of each station or substation will be shown on the line "Lighting."

On divisions where there is both railway and lighting business the names of the various stations and substations are to be shown as indicated above. The power used for lighting purposes only is shown on the line directly under the proper power station. The power used for railway purposes from the various power stations and substations is shown on the line "Railway," a separate line being used for each separate railway division and the output being shown under each station.

This report should be filled out carefully, dated, signed, and should be sent to the comptroller by the fifth of each month. As the form is used as the official record of the output of all stations, it must be absolutely correct.

### **Monthly Report of Lubricants Used**

A monthly report is sent in from each division on Form III, showing the amount of oils and grease used for lubricating purposes. All information asked for on the blank should be filled in, and it is to be noted that this form provides for the separation of the lubricants under three headings: (1) Generating Stations; (2) Substations; (3) Cars.

1. Generating Stations. In each column enter on the proper line the quantity of each kind of lubricant actually used at the station during the month. If there is more than one generating station on a division, a separate column for each station should be used; the name should be written at the top and the total shown. The quantities reported must be the amount of lubricant actually used at the power station and

**Form III. Monthly Report of Oils and Grease Consumed.** Size,  
8½ × 11.

2. Substations. In the proper column under "Substations" should be entered the quantity of each kind of lubricant used at all substations.

The kilowatts and total car mileage should be entered in the space provided and should agree with the other reports covering those matters made to the comptroller's office.

If any kind of lubricant not provided for on the form is used, a full description of it should be entered on one of the blank lines, and the quantity used should be entered in the proper column.

Track oil and signal oil should be entered in separate columns or as a "memo." on the back of the report. Great care should be used in preparing this report, which should show only the actual quantity of oil used for lubricating at generating stations and substations and on cars. It should not show the amount of oil received or sent from the storehouse, but the actual consumption.

If any oil is used for the initial lubrication of new machines in power stations, or substations, or new cars, the amount should be excluded from the report under "Generating Stations," "Substations," and "Cars," and be entered under "Remarks."

#### **Additional Operating Department Forms**

The work of the division managers covers many other matters which cannot be touched here, owing to lack of space, but additional forms are shown in Part IV, for the benefit of those interested, under "Transportation — Passenger and Express Services," and "Shop and Car House Forms."

#### **The Legal Department—Claim Agents' Accounts**

The accounting work in the legal department, over which department the accounting department has supervision, is practically confined to the claim agents' reports of their working funds. In settling claims for accidents and damages the practice of American street railway companies varies a great deal. Some of them use a system of drafts, while others place working funds in the hands of their claim agents; the methods of settlement, of course, are also various. The instruc-

tions outlined herewith provide for a system of working funds in the hands of the claim agents.

#### **Claim Agents' Working Fund**

No exact rule can be laid down for handling such a working fund, but in general it is entrusted to the agent for the following purposes:

1. For the immediate settlement of accidents and damages, particularly small ones and those that cannot be settled at a later date through check and voucher direct.
2. For any emergency case that cannot wait until the regular check and voucher can be received from the main office.
3. For the payment of doctors' bills which it is necessary to pay immediately, obtaining the doctor's regular uniform receipted bill.
4. For payment of witness fees and expenses, obtaining their receipt for the payment.
5. For advances to other claim agents in their emergency cases. Such advances should always be accompanied with a letter of transmittal, and a copy sent as soon as possible afterwards to the comptroller's office. When the amount is returned, it should be accompanied by a letter, a copy of which should be sent to the comptroller's office.

No part of this fund should be used to advance wages to any assistants in the department or to any employees of the company. Under no circumstances, of course, should any part of the fund be used for personal expenditures. No rule can be laid down stating exactly where the claim agent shall keep the money which he may have on hand. It would be well, however, to keep the largest part of his working fund on

deposit in a bank near his office. It should be deposited in his name as claim agent and checks drawn should be signed "Joe Doe, Claim Agent for ..... Company."

### **Claim Agent's Cash Book**

To account for this working fund the claim agent is required to keep a small cash book and report to the comptroller. The book should be opened by entering on the debit side the amount of cash on hand as of a certain date, and on the credit side the disbursements daily, giving the date, name, and amount. When the agent receives the check reimbursing him for disbursements he will note the amount so received on the debit side of the cash book, as "Reimbursements for Disbursements, Month of ....., \$. ...." It will sometimes happen that when a large accident occurs on the agent's division he will receive an amount from some other claim agent to take care temporarily of settlements. When such is the case the matter should be recorded in the cash book in the regular way, to show the amount received, the disbursements, and the eventual reimbursement. This will enable the claim agent to tell exactly the status of his working fund and to furnish a statement to the comptroller's office at any time. It will also enable the traveling auditor to check the agents' accounts properly.

At the end of the month the cash book should be balanced and the balance carried forward to a new page. At this time also the claim agent should prepare a voucher covering the disbursements for the previous month, including his personal expenses, etc. In this way the working fund is reimbursed each month.

### **Claim Agent's Accounts Checked by Traveling Auditors**

When a disbursement is made the agent should draw a check upon this account, making the proper record on the stub

of his check book. If he does this, it is easy for the traveling auditor or any properly authorized representative of the company to check up his accounts; his check and bank books; the disbursements which he has made and for which he holds receipts; the record of the disbursements which he has made and which are in transit between his office and the main office; and the balance of cash to make up the total of the working fund. This balance in cash should be either in the agent's pocket, or in the office where it is available to the person authorized to check the accounts. In no case should bank books be accepted as evidence for this fund when they show only the name of the agent without his official title.

#### **Additional Legal Forms**

In connection with this accounting in the legal department there are, of course, many other records kept by the claims attorney and other officials of the department. A number of the forms used are shown among the additional forms listed in Part IV.

#### **Engineering Departments—Power and Equipment**

Of the three engineering sections shown on the organization chart in Chapter I, mention may be made here of the work of the chief engineer of power and equipment. Most of the reports which come up through the power and equipment office have been touched upon in various chapters—for instance, the fuel report and the kilowatt-hour report which have been described above. The chief engineer of power and equipment approves the fuel invoices for the coal as contained in fuel report; he also checks up and approves the K. W. H. reports. In addition to these reports there is one other which affects the accounting department, namely, the permit for attaching wires, etc., to the poles at certain rental figures. For this Form 112 is used.



<b>THE WESSEX COMPANY</b> <b>PERMIT FOR ATTACHMENTS</b>										
Permit No. ....										
The Wessex Company, hereinafter known as the Licensor, hereby grants permission to the _____, hereinafter known as the Licensee, to make attachments to such poles of the Licensor as are herein specified under the terms and conditions hereinafter given.										
Pole No.	Gain	Attachments to Consist of	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Annual Rental</th> </tr> <tr> <th style="width: 50%;">Rate</th> <th style="width: 50%;">Total</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;"></td> <td></td> </tr> </tbody> </table>		Annual Rental		Rate	Total		
Annual Rental										
Rate	Total									
<div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> Town..... Division.....										
<b>Diagram Showing Approximate Location of Poles</b>										
<p>In accepting this permit, the Licensee agrees that:</p> <ol style="list-style-type: none"> <li>1. The ownership of the pole or poles shall remain with, and the title to the pole locations shall be vested in, the Licensor.</li> <li>2. The attachments shall be made in accordance with that part of Section Three of The Report of the Committee on Overhead Line Construction of the National Electric Light Association, read before its Thirty-Fourth Convention held at New York City, May 29th to June 2nd, 1911, and entitled: "Specifications for Construction on Poles Jointly Used." In case specifications are issued by the Public Utilities Commission of the State of.... such specifications shall automatically supersede the above mentioned specifications.</li> <li>3. All poles that shall by reason of location or use be subject to special strain by reason of the attachments made to them, shall be securely guyed or concreted in, or both, by the Licensee, where in the judgment of the Licensor, such construction is considered necessary.</li> <li>4. It will, at its own expense, upon thirty (30) days written notice from the Licensor, change or relocate its attachments, whenever in the judgment of the Licensor, such change or relocation is necessary.</li> <li>5. This permit is void unless made use of within (90) days from date of its issue.</li> <li>6. It will at its own expense upon six (6) months written notice from the Licensor, remove the aforesaid attachments.</li> <li>7. The attachments requested are not included under any existing agreement between the Licensee and the Licensor and if at a later date a contract is made covering a mutual interchange of attachments at this location, the attachments included in this permit will be included in such agreement.</li> <li>8. It will indemnify and save harmless the Licensor against any and all claims, damages and expense to which the Licensor may be subjected by reason of any work done or precaution omitted by the Licensee, its agents or contractors, with reference to the attaching and maintenance of the aforesaid attachments.</li> </ol>										
<b>THE WESSEX COMPANY.</b>										
By..... Chief Engineer Power and Equip.										
Licensee's Application No. .... Dated.....										

Form 112. (a) Permit for Attachments (in quadruplicate).  
 Size, 8½ × 14.

<b>Notice of Completion of Attachments to The Wessex Company's Poles</b>	
<b>THE WESSEX COMPANY,</b>	.....191....
<b>Mr.</b> .....	
.....	
This is to notify you that attachments covered in Wessex Company Permit No..... dated....., were completed.....	
	.....Company.
	By.....
(To be filled in and forwarded to C. E. P. & E.)	
Attachments have been checked and are.....satisfactory.	
	.....Line Foreman.
<b>Approved:</b>	.....Manager or Superintendent.
Forwarded to Comptroller.....191....	
	Chief Engineer Power and Equipment

Form 112. (b) Permit for Attachments—Completion Notice  
(coupon attached to original).

Permit No. ....
<b>THE WESSEX COMPANY</b>
Date of Permit.....
Attachments Completed.....
Town or City.....
Division.....
Permit Granted to.....
Completion Notice Forwarded to Comptroller
.....

Form 112. (c) Permit for Attachments (reverse of quadruplicate).

This form is made up in quadruplicate and the following instructions are issued in connection therewith.

The original or white sheet is sent to the company applying for permission to make attachments, and after such attachments have been made the detachable completion notice is to be returned by such foreign company to the division office, for checking on the spot by the line foreman and subsequent approval on the part of the division manager.

The completion notice is then sent to the chief engineer of power and equipment and by him to the comptroller.

The duplicate or green sheet is sent to the division office for filing; the triplicate or yellow sheet is sent to the comptroller for his record; and the pink sheet or quadruplicate is retained in the office of the chief engineer of power and equipment.

The above arrangement should give everyone concerned a satisfactory record, and it should provide the comptroller with the necessary information for issuing bills to cover.

#### **Additional Engineering Forms**

The work of the engineer in charge of maintenance of way, as well as that of the engineer in charge of construction, so far as the accounting department is closely concerned, has been touched upon in Chapters X and XV. Other forms used in the engineering departments are given in Part IV.

## Part III—Accounting Work Mainly Inside the Comptroller's Office

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### CHAPTER XVII

#### THE GENERAL BOOKS

##### **Difference between General and Detail Books**

So far as the general books are concerned, the accounting of a street railway company differs but little from that of other large business concerns except that the process of simplification has perhaps been carried somewhat further than is usual.

Keeping the general books represents what used to be thought the essential function of an accounting department, that is to say, checking and keeping track of the income and expenses so as to present a view of the business as a whole. In any large modern business, however, this keeping track of the business as a whole constitutes a very small part of the accounting work. To include in the general books the concrete detail of an elaborate business would make them unwieldy and virtually useless. Most of the accounts, accordingly, are divided today among a large number of detail books, and the general books have become very simple in form, containing merely a few large controlling accounts.

Opinions among accountants differ somewhat as to the number of controlling accounts that should be kept in the general ledger. The writer believes in having the general ledger as free and unencumbered as possible, inasmuch as details can be kept much better in sub-ledgers.

A few suggestions may be given as to methods of handling the general books.

[illegible]

These blanks are filled in as occasion requires, several entries on one blank. In every case, along with the main body of the entry the date when it was made up and the month's account to which it belongs should be shown clearly. The entries on each blank when completed are initialled by the clerk who has made them out. They are then submitted to the

head bookkeeper, who also initials them before presenting them to the comptroller for his approval.

An important part of the head bookkeeper's duties in a business so large is keeping track of these entries for the general journal, not merely to see that they are correct in form, etc., but to make sure that none which should be included in the general books are overlooked and that those which should be included are entered at the right time.

This work is much facilitated by keeping at hand a list sheet for the entries which present themselves regularly each month. It should be ruled with columns for twelve months in the year, somewhat as shown below.

Of course, there are other items which may be added to the list, and each comptroller should make sure that the bookkeeper adds entries to the list as the business requires. There may be items which cannot be thus listed, such as correction entries, etc., but with such a list as the following the head bookkeeper is sure of covering the regular entries each month. This list is given merely as an illustration and is not supposed to be complete in any way.

## THE WESSEX COMPANY

1917

LIST OF REGULAR MONTHLY JOURNAL ENTRIES	1917					
	JAN.	FEB.	MAR.	APR.	MAY	JUN.
General and Miscellaneous						
To Prepaid Insurance						
Taxes						
To Prepaid Taxes						
Taxes						
To Accrued Taxes						
Rent of Leased Roads						
To Accrued Rent for Leased Roads						
Sundries						
To Accrued Rental of Land and Buildings						

## THE WESSEX COMPANY

1917

LIST OF REGULAR MONTHLY JOURNAL ENTRIES	JAN.	FEB.	MAR.	APR.	MAY	JUN.
Interest on Unfunded Debt						
To Accrued Interest on Unfunded Debt						
Maintenance of Equipment						
To Accrued Depreciation of Equipment						
Maintenance of Equipment						
To Automobile Expense						
Maintenance of Equipment						
To Automobile Inventory						
Accrued Earnings						
To Operating Revenue						
Prepaid Earnings						
To Miscellaneous Rentals						
Maintenance of Equipment						
To Maintenance of Equipment (10% on Labor and Material on work done in shops)						
Operating Revenue						
To Fare Redemption						
General and Miscellaneous						
To Casualties and Insurance Reserve						
MATERIAL AND SUPPLIES						
General and Miscellaneous						
To General and Miscellaneous (Percentage of Cost of Handling Stores)						
Sundries						
To General Stores						
Scrap Account						
To Sundries						
Sundries						
To Scrap Expense						
Sundries (Coal Burned)						
To Fuel Inventory						
Fuel Inventory (Coal Received)						
To Sundries						

## THE WESSEX COMPANY

1917

LIST OF REGULAR MONTHLY JOURNAL ENTRIES	JAN.	FEB.	MAR.	APR.	MAY	JUN.
<b>PASSENGER DEPARTMENT</b>						
Local Cashiers						
To Collections						
Cash in Transit						
To Local Cashiers						
Advance Ticket Sales						
To Operating Revenue						
Operating Revenue						
To Operating Revenue						
(Dog Fares)						
Operating Revenue						
To Operating Revenue						
(Chartered Cars, more than one						
Division)						
<b>PAY-ROLL</b>						
Paymaster's Account						
To Wages Unclaimed						
Sundries						
To Pay-roll Suspense						
(Clerks' Pay-roll)						
(General " )						
(Monthly " )						
Wages Unclaimed						
To Sundries						
(Write off in June and Dec.)						
<b>BILLS COLLECTIBLE</b>						
Bills Collectible						
To Sundries						
Sundry Sales						
To Sundries						
<b>VOUCHERS PAYABLE</b>						
Sundries						
To Vouchers Payable						
<b>EXPRESS DEPARTMENT</b>						
Entries for this work shown and ex- plained in detail on page 137.						



An explanation should accompany each journal entry to tell all about it. For example, in the second entry:

Taxes

To Prepaid Taxes

For one month's taxes set up  
on basis of  $4\frac{1}{2}\%$  of gross  
earnings, these to be paid  
when due.

The head bookkeeper is held responsible for the journals. They should be kept in the bookkeeping department of the office nearly all the time, and handled only when absolutely necessary and by clerks authorized by the head bookkeeper.

### **Journal and Ledger Entries**

When entries are received from the comptroller with approvals, they should be copied into their respective journals.

The instructions given for the general journals apply also to the general ledgers. Entries are posted direct from journals and cash book. In some companies the cash book is journalized but this is unnecessary.

### **General Trial Balance Sheets**

Similar instructions apply to the general trial balance sheets. The accounts should be so arranged in the general ledger that when the trial balance is taken the balances may be readily grouped for making the general balance sheets.

It must be borne in mind that all this work in connection with the general books, while comparatively simple in form, is of vital importance to the business and should be entrusted only to an expert bookkeeper. A man of this sort, while giving his immediate attention only to the general books, may at the same time exercise a checking and supervising influence over the subsidiary accounts.

## CHAPTER XVIII

### DETAIL LEDGERS OF EARNINGS, EXPENSES, SUPPLIES, ETC.

#### **Books Supplementary to General Books**

The number of the detail books required by a large street railway company, to supplement the general books with their few controlling accounts, is very considerable. The Interstate Commerce Commission, which governs all street railways doing interstate business and to which many others conform, calls for 262 accounts in all, in six groups: Operating Revenues, 19; Operating Expenses, 100; Income, 25; Profit and Loss, 17; Balance Sheet, 51; Road and Equipment, 50. Although no one road probably will have all the activities here provided for, the partial list of regular journal entries given in Chapter XVII suggests the large number of accounts which must be carried by any large company.

Space does not permit taking up all of these detail accounts; many of them, of course, are so fully explained in the Interstate Commerce Commission's "Uniform System of Accounts for Electric Railways" that there is no need for special comment. The following comprise the detail books which are usually of chief importance in a large and diversified street railway system, all of which call for somewhat special treatment.

#### **General Operating Earnings and Expense Ledger**

Most important of them all is the general operating earnings and expense ledger (Form 114). In this one book

[illegible]

There was still difficulty in balancing these two expense ledgers with the general ledger, and when the Interstate Com-

merce Commission promulgated their Uniform System of Accounts of July 1, 1914, with 100 expense accounts it was necessary to devise a better method to make it possible, after all of the earnings and expenses had been posted in the expense ledger during the month, to balance it quickly with the general ledger details under the respective general headings. A loose-leaf book was devised accordingly so that, for instance, the leaves covering the group of expenses under the heading "Way and Structures" could be taken out and given to one clerk; those covering "Equipment" given to another clerk; and so on with the rest of the groups of accounts. If necessary, five clerks could work at one time, balancing the general expense ledger with the general ledger accounts, thus greatly facilitating the work and getting the balances out on time. After these loose leaves or sheets have served their purpose and have become a year or more old, they are bound in a permanent volume.

#### **Handling of Expense Ledger**

The loose-leaf sheets making up the expense ledger are arranged with a column for each division of the road; and all vouchers and journal entries which have charges or credits to operating expenses, all bills and journal entries which have credits to earnings will be entered in this book by divisions as they come through. A brief description of each item should be given in every case in the space allotted for that purpose. Bills should be posted direct from the bills collectible register at various times during the month. All vouchers and bills should be checked back on the voucher and bill registers before the voucher and bill collectible entry for the month is made up for the general journal. Errors in posting are apt to occur in the voucher and bill books, and if they are corrected before the voucher and bill entries are made up ready for the general journal, correcting journal entries are not necessary.

**Correction of Errors**

Errors in posting, such as assigning to one division or account that which should have been assigned to another division or account when both are under the same general ledger heading, should be corrected by debiting the proper account in black ink, crediting the other account in red ink, and writing in the "Particulars" column a brief but clear explanation regarding the voucher, bill, or journal entry which is being corrected. The comptroller or chief clerk should at once initial the correction and the clerk immediately in charge should be cautioned to see that this is done.

When all items for the month have been posted, each account should be footed, and the footing for each successive month added to the figure for the earlier months of the current year. The figures for the series of months should then be drawn off and the total of all of the accounts which come under one group of ledger headings should equal the general ledger balance for that particular group of accounts. The figures are then ready to be transferred to the monthly statements, for the month and the yearly period. The book should then be ruled and the balances brought down in their respective places in readiness for the next month's postings.

**Power Station Sub-Expense Ledger Accounts**

A sub-ledger for power station accounts, similar to the general expense ledgers, should be provided. This book, which is merely a further extension or analysis of the general expense ledger, should contain all the power accounts, just as the expense ledger does, but carried or posted to each power station or substation. Take, for instance, what is known in the Interstate Commerce Commission's system as "Operating Account 53, Fuel for Power." The cost of the coal burned is posted to this account in the general expense ledger and at the end of the month the total expense for the month for one divi-

sion of the company appears under this account. But suppose there are two power stations and three substations on this division and it is desired to ascertain the cost of coal for each of the stations and the expense for handling at each substation; then one can readily understand the utility of this power station sub-expense ledger, which indicates the cost of the coal and other expenses at each station.

All vouchers and journal entries on which there are charges to power stations or substations, and all bills, should be posted in this detail book as they come through. When all these items are posted each account should be footed for the month. Each individual item making up Account 53, for instance, should be checked against the same account in total as it appears on the expense ledger, care being taken that the proper division is being charged or credited alike on both the expense ledger and the sub-expense ledger. The month's figures should then be added to those for the series of months of the current year, and the monthly report ruled up.

#### **Park Earnings and Expense Sub-Ledger**

In case the company maintains amusement parks among its auxiliary operations, as explained in Chapter IX, a special sub-ledger similar to that of the power station accounts should be kept to cover this subject. This should give the details of the Interstate Commerce Commission Account 81 (Park Resorts and Attractions), which is covered in the expense ledger. All vouchers, journal entries, and bills should be duly posted, each item being checked with the corresponding item appearing on Account 81. After all items have been checked, the combined total of all the sub-accounts should equal the total of Account 81 as shown in the expense ledger. All credits to Account 81 should be posted in red ink unless the credit is an earning; then it should be posted among the earnings in black ink.

**Fuel Inventory Sub-Ledger**

As one of the heaviest single expense accounts of the modern street railway is that for fuel, the fuel inventory ledger is one of the most important of the detail books. A book with four-column ruling should be provided somewhat in the following form:

Date	Vo. No.	Particulars	Price	Tons	Pounds	Total

Each month when the reports are received on Form 109, "Monthly Fuel Report," they should be checked and an entry made for the general journal, charging Fuel Inventory with the amount of coal received at the invoice price and crediting Accounts Payable Fuel. The Fuel Inventory account, as detailed in this sub-ledger, is a running inventory of all coal received, used, and on hand. By running this account it is plain that the coal used can be charged out at an average price, and the account is credited accordingly with the amount of coal used or burned during the month at the average price.

When the invoices for coal purchased are paid, as explained in Chapter XX, they are charged against this Accounts Payable Fuel account; therefore, if all coal bills were paid at the end of the month there would be no balance in this account. The amount of the freight and coal received should be shown opposite the entry for each car, and when the journal entry is made up for coal, freight charges should be included charging the freight to Fuel Inventory account and crediting the account "Freight Charges on Fuel." There are also charges to this Fuel Inventory account from the payroll, and also cartage and discharging bills or bills for unloading boats, if the company receives coal by boat—all of which

are to be added to this account. The clerk should make sure that all cartage charges are in before the accounts of the month are finished, or else that an estimated amount is set up to cover such charges.

#### **Corrections and Adjustments in Fuel Inventory Sub-Ledger**

All differences between the amounts estimated as due for coal or freight on coal and those actually paid should be charged to this account, provided the amount actually paid is larger than the amount estimated. If the situation is reversed the account should be credited with the difference. Should the amount paid be larger than that estimated, the difference may be charged to this account on the invoice or freight bill; but should the amount paid be less than that estimated, the journal entry will be necessary.

If a cartage bill does not appear in time to be taken into the current month's account, it is necessary to estimate the cartage charge by preparing a journal entry charging Fuel Inventory and crediting Accounts Payable Fuel.

#### **Adjustments of Coal Measurements Reported**

Adjustments must be made from time to time in the figures for coal on hand, as sent in by the division managers. The measurements of coal piles and calculations based on them are checked in the comptroller's office, and when errors are found adjustment must be made and reported to the division manager concerned. A memorandum, accordingly, will be sent to him of the amount of coal debited or credited to his Fuel Inventory account at each one of his power stations because of the adjustment.

This notice to the manager should give (1) the amount of coal on hand for the power station in question at the end of the month, according to the main office records; (2) the amount of the adjustment necessary to make the figures agree



with those of his own report (Form 109); and (3) the correct amount remaining on hand after the adjustment is made. A copy of the notice should be sent to the chief engineer or to the supervisor of power plants.

### Statement of Cost of Coal

Each month a statement should be prepared in the comptroller's office, showing the cost per ton at which fuel was charged off to operating expenses during that month as follows:

COST PER TON OF FUEL CHARGED TO OPERATING EXPENSES  
During.....

Name of Power Station	Price Per Ton Alongside	Cost of Unloading and Handling Per Ton	Total Cost Per Ton
--------------------------	----------------------------	-------------------------------------------------	-----------------------

The second column includes the invoice price of the freight charges, either by rail or by boat. The fourth column gives the figure or the average price at which the coal is burned out, as just explained under "Fuel Inventory Sub-ledger."

In preparing this statement the invoice price of the last lot of coal should be ascertained and the freight charges from the last freight bills paid should be obtained and added, to give the information for the second column. The difference between that figure and the price at which the coal is charged represents the unloading and handling charges. Generally speaking, the price per ton alongside will not often change. The variation in the price will be almost entirely in the cost of unloading and handling.

The value of this statement is that it will show at once whether the actual price of the coal is increasing or not and whether the handling is done in an economical manner at each

power station. The figures giving the price per ton alongside are those for which the purchasing agent or the official who is charged with the responsibility of obtaining coal is responsible. If they are too high he must explain the reason, but, of course, he cannot in any way control the demurrage nor the expense of unloading, which is a matter for the division manager to explain. The statement should be sent out as a regular supplement to the power station statement, and copies should be furnished to the persons who receive the copies of that.

Demurrage charges should not be considered as freight but charged direct to the operating account, after having been approved by the engineer in charge of the power station or by the manager.

#### **General Stores Sub-Ledger**

The general ledger of the company will carry merely a controlling account called "General Stores." As it is necessary to have details of this account by divisions, and also to know whether all invoices passed by the stores keepers have reached the comptroller's office to be paid, it is accordingly necessary to keep a general stores sub-ledger, arranged by columns headed up with the names of the divisions of the company. It is one of the most important and inclusive of the detail books. As vouchers with general store charges come through during the month they should be posted in this book. The number of the voucher, the name of the person concerned, and the amount of each bill should be entered in the proper division columns, and the total of the postings of each voucher carried out in the total column.

When all vouchers for the month have been posted and the total checked with the total charge to general stores as shown by the voucher book, all debit journal entries should be posted; then all credit entries; and last, the bills collectible.

The book when footed for the month and this total added to the previous totals, should equal the general ledger balance.

### **General Stores Reconciliation Reports**

Statements should then be made reconciling the balance of each division with the balance as shown by the reports sent in by division stores keepers.

It is essential, of course, to have the division stores keepers' accounts agree with the records in the main office. To this end the stores keepers should close their accounts as regards invoices received on the first of the following month. They should assume that all invoices which have left their offices for the comptroller's office prior to the first of the following month and which cover material received during the preceding month will be taken into the preceding month's accounts, and that all invoices sent in after the first of the month will be taken into the current month's account. The voucher clerks in the comptroller's office should take care to voucher in the same month the invoices which the stores keepers take into their month's accounts. This will tend to reduce very much the number of invoices which the stores keeper must strike off from his current list and add to that of the following month.

In sending out the reconciliation sheets and in referring to invoices included by the comptroller's office but not included by the division stores keepers, or vice versa, reference should be made in every case to the stores keeper's number of the invoice referred to. (See Chapter XIII.)

### **Stores Issued**

When the reports of material issued from storerooms come in monthly from the stores keepers on Forms 99 and 100, they should be summarized and one journal entry made to cover all divisions. The items ordinarily are all charges, but,

should some of them be reported as credits, they should be passed, unless the item is large. If so, the comptroller's office should investigate.

### **General Stores Statement**

A statement showing movement of materials and supplies according to divisions may be issued each month after the reconciliation reports have been sent out. The following general arrangement or form may be used:

First Column	Name of division.
Second Column	Balance on hand the last day of previous month.
Third Column	Amount received during the current month.
Fourth Column	Total of the second and third columns.
Fifth Column	Amount issued during the month.
Sixth Column	Balance on hand the last day of the current month.
Seventh Column	Balance on hand the last day of the corresponding month for year previous.

If this statement is made up it should be ready to be sent out by the chief clerk as soon as possible after the close of the month. This statement might be enlarged considerably, as explained in Chapter XIII.

### **Scrap Account**

A columnar book similar to the general stores sub-ledger should be provided for this account and arranged by divisions. All entries to this account in the general ledger should be posted and the book balanced at the end of the month.

### **Report of Scrap Accumulated**

The reports of scrap accumulated sent in monthly by the division stores keepers (see page 223) must be summarized and

### Notice of Balances to Stores Keepers

[illegible]

The notices will be O K'd by the stores keepers, returned to the comptroller's office, and placed in the scrap transfer file. If the stores keeper's records do not agree with the bal-

ance for his division as shown by this notice, he should notify the comptroller's office, and the clerk in charge of the matter should immediately check up and adjust the difference with him.

### **Scrap Expense Account**

Scrap Expense is a clearing account to which should be charged each month the cost of collecting and selling scrap. It should be cleared monthly by distributing the cost to the various operating expenses based upon the report of scrap accumulated.

An analysis of this account should be kept by divisions in one of the sub-ledgers, showing the cost for each division of the collection and sale of scrap each month. The balance of this analysis should agree with the ledger.

This cost for each division should be credited each month to Scrap Expense and charged to the operating expenses of the same division, prorated among the different accounts in the same ratio as the report of scrap accumulated was credited. As it will be impracticable to make this entry on the actual figures, it can be made each month on the basis of the previous month's cost and the previous month's scrap accumulation. At the end of the year care should be taken to see that the account is in balance.

### **Auto Expense Sub-Ledgers**

Automobiles and automobile trucks have come into general use within the last few years. There are machines attached to the track repair service, trucks used in the express and freight service and elsewhere, cars placed at the disposal of officers, etc. No book containing general accounting information would be complete without some information as to how the connected costs may be followed up. The three reports shown below are used for this purpose.

1. A pad of daily report blanks (Form 116) is carried in each machine. The operator fills out one of these blanks each day and forwards it to the division manager. It is to some degree analogous to the day card made out by the conductors. Both sides of the blank are used.

THE WESSEX COMPANY								
Daily Report of Motor Car No.....						.....Division		
Date.....								
Time			Speedometer			Purpose	Used By	Driver
Out	In	Diff	Out	In	Diff			

Note—Report repairs and supplies on back of this sheet.

Correct..... Approved.....

Checked..... Approved.....

Form 116. (a) Motor Car Daily Report (face). Size,  $8\frac{1}{2} \times 6$ .

Repairs and supplies in detail:
Sign here..... In Charge of Repairs
Correct .....

Form 116. (b) Motor Car Daily Report (reverse).

2. A monthly report, which is merely a summary of the daily reports, is sent by the division manager to the comptroller's office on Form 117.

<b>THE WESSEX COMPANY</b>						
Monthly Report of Motor Car No....					.....Division	
					Month.....191....	
Send this report to Comptroller						
Date	Mileage	Gasoline Gallons	Cylinder Oil		Attention Hours	Repairs and Remarks Material & Labor in Detail
1						
2						
3						
<b>29</b>						
<b>30</b>						
<b>31</b>						
<b>Totals</b>						
Correct				Sign Here		
.....				.....		
Checked.....				Approved		
.....				.....		

Form 117. Motor Car Monthly Report—Division Manager.  
Size, 8½ × 11.

3. On or about the 20th of the following month, or as soon as the books are closed, a monthly statement is prepared on Form 118 and forwarded to the president and other officials, showing the detailed costs for each one of the cars operated. Or a quarterly statement might suffice.

In order to compile the above report in the comptroller's office each month, a detailed automobile expense ledger should be provided somewhat like the general expense ledger. The



THE WESSEX COMPANY								
STATEMENT SHOWING THE COST OF MAINTAINING AND OPERATING EACH AUTOMOBILE DURING MONTH OF.....1917								
Car No.	Division	Gasoline	Lubricants	Tires, Chains and Tubes	Other Supplies	Other Repairs	Miscellaneous	Total
1								
2								
22								
23								
Totals								
OTHER STATISTICS								
Car No.	Where Used	Type of Car	In Charge of	Mileage	Gals. of Gas	Miles per Gal.	Oper. Cost per Mile	Depreciation
1								
2								
22								
23								

Form 118. Motor Car Monthly Report—Comptroller. Size, 11½ × 14.

page will be headed with the name or number of the automobile, and the columns with the names of the expense accounts used.

An account should be opened in the general ledger under some suitable heading such as "Automobile Expense," and instructions issued that all expenses should be so charged. During the month such charges should be analyzed and posted to the automobile expense ledger from which the monthly statements are taken. At the end of the month the account is closed out to the appropriate operating account or accounts.

### Replaced Machinery Stock Account

The detailed books thus far mentioned are all related to what may be called current earnings, expenses, and supply accounts. Two others may be mentioned which are distinctly

important but which relate in a way to capital accounts. One of these is the Replaced Machinery Stock account which is opened in the general ledger near the section where the store-room accounts are found. To this account is charged the present value of machinery and apparatus dismantled and stored away, either to be sold or to be used at some future time at some other point. The account might be given some other name, but this one defines it exactly. It will apply largely to power station apparatus. A good many of the appropriations coming from the engineer's office show charges against this account, but no charges must be entered on the books until a detailed report has been made as to the machinery removed and a full description of it given, together with its location, etc.

It is very important that a careful and complete record of all the items charged to this account be kept in the office. A book should be provided lettered on the outside "Replaced Machinery Stock Account," in which should be entered a full description of all machinery and apparatus charged. Provision should be made first for reference to the journal entry number under which the charge is made; then a full description of the machinery or apparatus, giving the name of the manufacturer and the serial number of the instrument or machine, if it has one, each piece being listed separately and the individual value stated. Then the place where the material is stored and the name of the man who has it in custody should be indicated. The rest of the book should be used for recording the sale or use of this machinery, as follows:

When one of the instruments or pieces of machinery is sold, the bill number under which it is sold and the amount which is obtained for it should be entered in this book on the same line where the instrument referred to is recorded but on the opposite page; any difference between the amount received from this sale and the value placed on it when it went into the account should be adjusted. The difference between the two

sides of this book should be the balance entered in the general ledger.

This will not be a very active account, probably, but it should be very accurately written up. If any information is not available that is needed to complete the record, the matter should be taken up with the engineering department.

#### **Property and Equipment Withdrawal Account**

The other account to be noted here is in a sense complementary to that just mentioned. When property or equipment which at the time stands in the capital accounts is sold, the amount received from the sale should be credited temporarily to a Property and Equipment Withdrawal account.

To complete the record, steps should be taken at once to obtain from the proper parties full information as to the articles sold, with the replacement value, the date purchased, and the distribution of the replacement value according to the construction classification. It should also be ascertained whether or not the items sold have been replaced and, if so, when replacement was made and how it was charged in the accounts. If this information comes in, it should be carefully verified. When all the information is obtained, a journal entry should be made crediting the proper capital account with the replacement or cost value in the following manner:

Property and Equipment Withdrawal account should be charged with the amount which was credited to that account when the piece of machinery, or whatever it might be, was sold or withdrawn, and the balance over the sale price, if any, charged to the proper operating or other accounts as may be determined.

#### **Other Accounts and Records**

There are a number of other matters which are even less related than the two accounts just mentioned to the current

earnings, expenses, and accounts discussed in this chapter, but which must also be covered to some extent in the detail ledgers.

### **Fire Insurance Records**

As a general rule, insurance is carried by outside insurance companies and therefore no special system of accounts need be kept, merely a list or record of the policies and what they cover. If a fire occurs, however, the adjustment with the insurance company and the repair or the replacing of property must be looked after. Formerly, these costs were charged direct to operating expenses, thereby giving no individual accounting of each fire, a record of which is required by the insurance adjuster. It seems much more advisable to open a special ledger account for insurance expense through which all charges and credits may be worked out.

To this account are charged the labor and material costs in connection with the repairs to cars, buildings, and other property necessitated through damage by fire. A detail of the storeroom report and the pay-roll distribution of the service will be given in each instance, and direct reference made at the time to the property damaged and the date of the fire. Thus, a good and complete insurance record may be kept.

### **Tax Records**

In order to comply with the requirements of state laws a clear record of taxes should be kept. But if, as is not infrequent, the company maintains a tax commissioner, the tax records will probably be kept in the commissioner's office and will not be considered a part of the accounting records of the company in the same sense as if kept by the accounting department. Some record, however, must be kept in the accounting department and it may be covered by a detailed ledger.

The records to be kept depend largely upon the kind of

taxes and the methods of assessment in the particular town, city, or state. When taxes are assessed on the property of the company—real estate, rolling stock, securities held, cash in bank, etc.—the records should clearly show the assessed value of this property, and the accountant should be careful to see that the proper accruals are made. When taxes are of this nature, more detailed accounting is necessary than in cases where the railroad company pays its taxes to the state in the shape of an assessment upon its earnings. In the latter case the records are very simple.

Sometimes taxes are levied by cities on gross earnings received within the fiscal year. If this tax is levied on the earnings received within the city limits when the street railroad is entirely within the city, the accounting is not very difficult. But if, as is generally the case, the street railway tracks are both within and without the city, the earnings within the city limits must be prorated upon a mileage basis or in some such way, unless the fare limits or zones are coincident with the city lines. Even then special accounting will be necessary in the matter of conductors' runs.

No sample of accounting records can well be given under this head, as the records for different states, cities, and towns are so widely different at the present time; even though a system were shown which could be adapted to one city, it would be entirely different from one to be applied to some other city.

### **Interest and Deposit Accounts**

Nearly every street railway company has bonds of some kind outstanding, and as a general thing when bond interest is due or just prior to the time when it is due, the money for payment of the same is deposited with some bank or trust company, which in turn pays the bond coupons as they are presented. One method of handling the deposits to pay the coupons, with the journal entries required, is shown below:

Interest on Funded Debt.....	\$.....	
To Unmatured Coupon Interest Accrued.....		\$.....
For interest accrued during month of .....,		
191.., on the following bonds (describe).		
(This entry to be made each month.)		

Draw voucher to bank or party to pay interest; this voucher to be drawn up before coupons are due. Charge Coupon Special Deposit (name of bank).

Unmatured Coupon Interest Accrued.....	\$.....	
To Coupon Interest Matured.....		\$.....
(This entry to be made month interest falls due.)		

Coupon Interest Matured (name bonds).....	\$.....	
To Coupon Special Deposit (name of bank) .....		\$.....
(This to be made as paid coupons come in.)		

There may perhaps be other kinds of interest and also other kinds of deposit accounts, but it is not the purpose of this book to discuss in any way the financial part of the street railway business, which is quite adequately treated in other works.

### Reserves

Nearly every street railway corporation provides funds for certain specified purposes which are known as reserves. Presumably the most important one in connection with the operating part of the business is the reserve for accidents or damages. This reserve is created by charging to operating expenses a certain amount month by month and crediting a like amount to an appropriate reserve account. At the end of the year a statement should be obtained from the claim agent or the legal department in charge of accidents, and the

reserve account adjusted according to the total of the estimated liability at the close of the fiscal year. Among the many other reserves are those covering depreciation and insurance, the latter providing for the various kinds of risks, fire, burglary, boiler, fidelity, or casualty insurance, etc. Each one of the reserve accounts may necessitate some separate accounting, if the company is large and detailed information is desired.

#### **Accident and Damage Reserve**

As regards the accident and damage reserve, Montgomery in his excellent book entitled "Auditing, Theory and Practice," 1917 edition, says:

"Many companies create an accident reserve by crediting to such an account and charging to operating expenses a certain percentage of the gross earnings. Payments in settlement of claims are charged against the reserve. This plan is preferable to that of charging accident payments directly to operating expenses, as it equalizes the charge to successive fiscal periods, and, if the charge is ample, creates a reserve for those claims which are unsettled at the end of each period. The plan must be intelligently used. Some companies use too low a percentage and carry the resulting debit balance in the reserve account along from one period to another as a deferred charge to operations. Obviously, payments for accidents occurring in one period are not of the slightest benefit to the operations of a future period, and if a debit balance develops in an accident reserve account it should be forthwith written off. Such a condition is sometimes due to an unusually serious and costly accident, which is not likely to occur again soon, and it may not be necessary to raise the percentage of gross earnings credited to the accident reserve. As already stated, however, the overdraft in the reserve account should be immediately written off, as it is not an asset in any sense of the word."

**Depreciation Reserves**

As regards depreciation reserves the Interstate Commerce Commission in their "Uniform System of Accounts for Electric Railways," issue of 1914, require street railways under their jurisdiction to set up a reserve for equipment, but do not as yet require a reserve for depreciation of way and structures or building and power plant machinery. It is a very difficult matter to determine, and Montgomery in the work just cited, writes on this subject as follows:

"Depreciation of plant—or, if the word 'depreciation' has an unpleasant sound, the term 'accruing renewals and replacements' may be substituted—is a most important subject in connection with electric railways. Up to a few years ago railway operators, and especially promoters, would not admit that there was any necessity whatever for the inclusion of depreciation charges in the operating accounts. Their stock argument was that the franchises increased in value more rapidly than the physical property deteriorated, and consequently there was no depreciation in the property as a whole. The fact that the increase in franchise values would not produce funds wherewith to make replacements when they were finally needed was ignored. Since the repeated puncturing of this fallacy by the bankruptcy of companies which proceeded on such an unsound basis, railway operators have reluctantly come to admit the necessity for taking account of depreciation, until at the present time practically all engineers of high standing consider it an item of operating expense. It is a satisfaction that the correctness of a principle for which at one time almost no one but accountants contended has at last been recognized. In cases where companies have not made any allowance for accruing depreciation, the auditor is not warranted in giving a certificate unless it contains a qualification plainly calling attention to the omission of depreciation allowances."



The question of reserves is one that should be considered upon its individual merits by each company.

### **Sinking Funds**

Under this heading there may be several funds provided by the company. As the term is generally used, funds are set aside periodically and invested in some good property or securities, so that there will be sufficient funds at the end of a certain term or period to take up an issue of bonds or provide funds for some other contingency.

The records for these funds depend entirely upon the nature of the fund, and it would seem that this is another case where each fund should be considered upon the merits of the case. Wherever the question of sinking funds is involved there is always much special work for the accountant, as in a great many ways sinking fund provisions in regard to mortgages, etc., are not always clear. It would seem from observation of the present day trend that sinking funds are not being used as much as in years past, the presumable reason being the changed conditions of the last few years. By this is meant that the street railway business has become better established; it would seem that there is not the same necessity for sinking funds as when the business was of a more unsettled character. Another reason for not using the sinking fund method is, perhaps, that the different street railway corporations need the money for use in the business instead of buying some long-term security or tying up the funds in some similar way.

### **Leading Accountants on Sinking Fund Problems**

Some of the problems in sinking fund accounting have been worked out in the past by leading accountants. Three representative opinions may be put side by side.

Montgomery in "Auditing, Theory and Practice," says: "Sinking fund requirements to retire bonds, etc., must not be confused with depreciation allowances. . . . Sinking fund installments are capital expenditures and do not properly appear among operating expenses, but should be stated as deductions from net profits when ascertained."

Dickinson in "Accounting Practice and Procedure" says "Sinking Fund or Debt Extinguishment Reserves are not in theory a charge against Income, for the reason that they do not represent a loss or expense, but the extinction of an existing liability. Inasmuch, however, as in most cases the only source out of which such redemption reserve can be provided is the surplus earnings, it is quite usual to insert a provision in trust deeds that the sinking fund reserve is to be provided out of the profits of the year. The discharge of liabilities involves either a corresponding reduction in assets, or the accumulation of other liabilities or surplus. A reduction in current assets or the accumulation of other liabilities as a substitute for bonded indebtedness is clearly objectionable, and it is therefore desirable that the amount applied each year to sinking fund purposes should be offset by the retention in the business of a corresponding amount of profit, which should be transferred either to a special reserve, or in reduction of some fixed asset account by way of provision for depreciation or otherwise."

Some accountants in the past have confused sinking funds with sinking fund reserves and this point is well covered by W. H. Force, Jr., in the *Electric Railway Journal* of September 23, 1916. Mr. Force says: "There is considerable difference between a sinking fund and a sinking fund reserve, although each title is sometimes loosely applied to the other. Much of the confusion is probably caused by the fact that the term 'Reserve' is used in connection with banking and insurance in an entirely different sense from that in general accounting practice. Bankers consider a reserve analogous to

cash or an equivalent of cash, but in accounting phraseology cash and reserve are not synonymous. 'A sinking fund in the strict sense is a fund raised by annual contributions for the purpose of providing means of paying off a funded debt' (Hatfield). 'A fund may be defined as a stock or accumulation of assets either money or considerable wealth brought together for a particular purpose' (Pace). On the other hand a sinking fund reserve may be defined as simply a backing total for an account."

As will be seen from the above, there are so many ramifications to the question of sinking funds that no definite method of accounting could be laid down without having full details as to the facts in the case.

## CHAPTER XIX

### ACCOUNTS RECEIVABLE AND COLLECTIONS

#### **Making Out Bills**

Great care should be taken to see that all bills are made out upon receipt of proper information and that they are properly recorded on the books of the company.

The business of a street railway company is essentially a cash business, since the company obtains its money at the time service is performed or in advance through ticket sales and other prepayments. There are other items of revenue, however, which are sometimes deferred, such as charges for chartered cars and for express and freight shipments, returns for advertising privileges, station rentals, sales of power, scrap material, etc. To handle all these necessitates the maintenance of careful invoice records of bills issued for collection.

In the office of some street railway companies the files are full of memoranda from which bills should have been made out. Memoranda concerning chartered cars and similar services rendered are carried in the desk of a clerk or even of a superintendent, doubtless with the object of saving a little accounting labor in case the debtor should pay the bill within a day or two, thus making the transaction a cash one that may be entered directly in the cash book. But the fact is that some of those memoranda may be lost and if the debtor does not voluntarily come to the office to pay the bill it may never be paid. If the bills are made out as they should be and immediately recorded on the books, it is simply a matter of collection, as the record stands until the bill is paid.

No attempt will be made here to go deeply into the subject of collecting accounts—a matter which is sufficiently covered by several standard books. There are several points of interest, however, to those in the street railway business, such as preparing and collecting bills against parties for cutting overhead wires to allow for the moving of buildings, and issuing bills against towns or cities. These points will be detailed later in the chapter.

### Forms for Bills

A useful form for bills collectible is the following Form 119. It is furnished in three sizes.

THE WESSEX COMPANY ACCOUNTING DEPARTMENT			
{ In making settlement Give No. _____ Registered in _____ 191____ Ledger Folio _____	_____ 191____ _____		
To THE WESSEX COMPANY, Dr.			
PLEASE REMIT THE AMOUNT AND SEND THIS BILL WITH IT TO THE TREASURER. If further information is required, address the Comptroller			
CREDITED TO			Correct, _____ Approved, _____ Approved, _____ Certified for Payment, _____ Approved, _____ Comptroller: <div style="text-align: right;">Vice-President</div>
Received _____ 191____	_____ Dollars in full payment of above account <div style="text-align: center;">THE WESSEX COMPANY</div> <div style="text-align: right;">Treasurer</div>		

Form 119. Bills Collectible Form. Size,  $8\frac{1}{2} \times 8\frac{1}{2}$ .

### Approval of Bills

As a general rule bills are prepared in the comptroller's office, but it has been found expedient to allow some of them to

be prepared in the offices of the division managers, the stores keeper, etc. In all cases when these bills which are prepared outside reach the comptroller's office, they should be examined by the head bill clerk to insure correctness of form, etc. The head bill clerk initials them and presents them to the comptroller, and if approved by the comptroller they are sent to the bill register desk and regularly registered. All bills are made up either in duplicate or with a copy on "chemical seconds" or other cheap paper. They are typewritten so that no time is lost in making a copy for the files in the comptroller's office. When the bills are ready they should be mailed promptly.

In making up the bills care should be taken to condense as much as possible. When, for example, notices are received to bill a city, town, or school district, such notices should be held and one bill made up at the end of the month, thus saving accounting work, unless, of course, the cities require a bill for each order so as to keep separate the accounts of their different departments.

### **Bills Collectible Register**

A careful record of all bills issued should be kept in a bills collectible register. Form 120 is shown here as an illustration of a book of this kind.

Bills will be registered throughout the month, and at the end of the month the bills register should be closed or footed and an entry for the general journals made up, the body of which should read somewhat as follows: "For Bills Collectible Register in ..... 19..... as per Bills Collectible Register No. .... Page .... to ....." (Then give the names of the accounts which should be credited in the usual way.)

After bills have been registered they are ready for mailing.



As soon as possible after the close of the month, a list of all unpaid bills should be drawn off on Form 121. This list,

**Form 121. List of Uncollected Bills. Size, 8½ × 14.**

As bills are paid each day they should be posted from the cash book to the bills collectible register and also to the register index. It is important that the bills which are registered each day be at the same time posted to this index and that all cash payments or cancellations be also posted to the index each day, so that it will always show the exact amount due from any firm or individual.

A convenient form for such a register index is shown in Form 122.



Form 122. Bills Collectible Index or Ledger, Size, 12 x 11½.

## Collecting Bills

There are sometimes bills of a special nature, some emanating from the offices of the division managers and others from the comptroller's office, requiring special attention.

When a division manager is asked to cut wires in order to permit moving of buildings across or along the tracks, or when

he finds that moving such buildings is going to cause the company increased expense by requiring the cars to turn back on a route before going to the end of the line, or that it will interfere in some other way with the car service, the manager should endeavor to obtain a statement in writing from the owner or contractor that he will pay the company any expense entailed, including the cost of cutting and replacing wires, the cost of turn-backs, starters, etc. If the manager is unable to secure such an agreement voluntarily, he should try to induce the local authorities to refuse to grant a permit until the owner or contractor has agreed to reimburse the company.

### Bills for Park Rentals, etc.

All bills for park rentals, house rentals, station room rentals, etc., should be prepared on rent bill forms similar to Form 123. These bills should be sent to the rent agent to

THE WESSEX COMPANY			
ACCOUNTING DEPARTMENT			
RENT BILL			
<div style="border-left: 1px solid black; border-right: 1px solid black; padding: 5px;"> In making settlement  Give No. _____  Registered in _____ 191____  Ledger Folio _____ </div>	<div style="border-bottom: 1px solid black; margin-bottom: 5px;">_____ 191____</div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;">_____</div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;">_____</div>		
To THE WESSEX COMPANY, Dr.			
Please remit the amount and send this bill with it to the Rent Agent.			
CREDITED TO		Correct.	
		Approved, _____	
		Exam'd & Regist'd _____	
		Approved, _____	
		Comptroller	
		Vice-President	
191____		Received _____	
_____ Dollars in full payment of above account			
_____ For THE WESSEX COMPANY.			

Form 123. Rent Bill. Size, 8½ × 7½.

collect if such an official is employed; if not, they are collected by the comptroller's office in the regular way.

### **Handling Bankrupt Accounts**

All bankrupt accounts should be handled at the comptroller's office by the clerk in charge of the bills and accounts receivable, or by the head bookkeeper. Should the account happen to be carried at some local office, the local cashier at that point should send the necessary papers to the main office to be filed with the bankruptcy court. The method of procedure should be as follows:

The necessary papers should be prepared and properly executed by the comptroller, ready to file with the referee in bankruptcy or with the proper federal officer, whatever his title may be. On the day when the papers are filed with the referee, a letter should be sent to the local cashier of the division in which the bill is carried, if it is a local account, advising him of the fact that the necessary papers for the bill in question have been filed and instructing him to make a notation in his records to that effect.

If the account is an electric light or gas account (in case the street railway company is engaged in either business as a side issue), and a meter deposit is held by the local cashier, the cashier should apply the amount of the meter deposit to the credit of the account, and a proper journal entry should be made at the main office to provide for it as follows: charge Meter Deposits of the proper division and credit the consumer's account of the proper department, or division, as the case may be.

The local cashier should note on his list of delinquent creditors the fact that bankruptcy papers have been filed.

When the cash in settlement of these bankruptcy claims is received at the main office, it should be credited to the proper consumer's account or Accounts Receivable, in whichever item

the amount is carried, which of course may readily be ascertained by referring to the delinquent list.

The local cashier should then be advised of the receipt of this money, and be directed to mark its receipt in his ledger and to state that credit has been given to the proper account at the main office.

Other bankrupt accounts should be handled similarly, that is, they should be taken into the account, "Accounts Receivable," a claim duly filed, and the matter followed up until settled. Then the balance not collected should be written off and all papers filed.

#### **Sight Drafts to be Handled at Once**

Bills marked "Sight Draft Bill of Lading" should be handled immediately. Clerks must obtain the comptroller's approval and forward them to the company treasurer, who draws the proper draft and collects the money. If the treasurer does not promptly report the collecting of the bill, the clerk should notify the comptroller and look into the reason for non-payment of the draft.

#### **Sundry Sales—Procedure of Outside Offices**

One other matter which may be treated in this connection is that of sundry sales, or miscellaneous cash turned over by the division managers. This is money which has been collected (1) from employees for the sale or loss of company material, such as caps, badges, punches; for damages to cars, and minor losses of old material not included in the scrap account; and for personal telephone calls; (2) from passengers for damages done by them to the cars, etc.

When the division manager receives cash from any such source, he should immediately write a letter to the comptroller explaining the circumstances, and at the same time turn the money over to the cashier of his division together with a copy

of his letter to the comptroller. The cashier will make a special deposit of the money, crediting the proper account, and will place upon his bank advice information that will tell the comptroller what this money pays for. If there should be several items on any one occasion, the cashier may use the reverse side of the bank advice to enumerate them.

The duty of the company treasurer in this connection is as follows: When the amounts are to be credited to operating expense accounts, not exceeding \$5 for each item, he should enumerate briefly the particulars of each amount and enter it separately in his cash book in a special column headed "Sundry Sales."

#### **Checking of Sundry Sales**

The comptroller's office must make sure that for every amount credited in the "Sundry Sales" column of the cash book it has a report from the division manager. If no report has been received, necessary steps must be taken to obtain it. Each item in the cash book should be checked with a small mark, indicating that the advice from the manager has been received.

At the end of the month all of these reports from the division managers are listed in chronological order according to the dates when they were received or when the money was received. This list shows the name of the division, the amount, and the account which should be credited. This list when duly totalled should agree with the amount credited in the cash book to Sundry Sales.

A journal entry will be made each month for the amount of this statement, charging Sundry Sales and crediting the proper operating expense accounts. To the journal entries should be attached the reports of the manager and the list referred to in the preceding paragraph. Care should be taken to see that the Sundry Sales account is in balance at the end

of the month. With this method in force it will be unnecessary for the division manager or cashier to send personal checks to the main office. No company money should be mixed in any way with personal funds.

#### **Corrected Bills**

Whenever a bill which has been rendered against some other person or firm is sent back to the company as incorrect, attention should be called definitely to the incorrectness in the accounts. This matter is very important. When a bill is once sent out of the office and then for some reason or other is withdrawn, either at the request of the other firm or because the company finds it to be incorrect, a letter must be written to the firm which objected to the bill or to which the bill was incorrectly rendered, telling them that bill No. . . . covering a piece of work for a certain amount has been withdrawn and that in its place corrected bill No. . . . has been issued.

## CHAPTER XX

### INVOICES AND VOUCHER ACCOUNTS PAYABLE

#### Approving Bills for Payment

The work of the accounting department in connection with the payment of bills against the company is most important. It is not complex or peculiar in procedure, however, and does not therefore require extended discussion.

The accounting department must first make sure that all bills presented for payment have been duly authorized and are correct. Most bills pass through the purchasing department, as explained on page 200. The stores keeper checks the invoice for receipt of material, the purchasing agent for correctness of prices, and the comptroller's office must then check it for arithmetical correctness and the proper account chargeable.

The bills which for some reason do not go through the purchasing agent's office must be approved by some official authorized to incur expenses, such as the division manager, engineer, traffic agent, or other officer. In general these approvals should be somewhat as follows:

On invoice charged to	General Stores	.....	Stores Keeper
"	"	"	" Operating Expense..
"	"	"	" Construction Work..
"	"	"	" Parks or Traffic.....
"	"	"	" Taxes.....
"	"	"	" Damages.....

When the money is paid out, the accounting department

must see that a correct and adequate record of the transaction is made. This is generally done nowadays by the means of a system of voucher blanks. When an invoice has been checked as to prices and quantities and as to mathematical correctness, and has been approved as a whole by the head of the department concerned, a voucher check is filled out in the comptroller's office; and after the proper approvals by the authorized officers of the company have been placed on the voucher blank, it is forwarded by the comptroller to the treasurer, who makes the proper entries in the cash books and in check records and signs the check. He also obtains the countersignature of the officer authorized to countersign checks, and then mails the check to the payee.

### **Voucher Checks**

Voucher blanks vary with each company; local conditions have something to do with this; and each company very likely regards the form which it is using as the best that can be devised. It would seem, however, that time and money could be saved, if uniform voucher blanks were used by the different companies throughout the country, merely changing the headings to suit the needs of the various requirements. In the writer's experience the best arrangement yet devised is a voucher check, such as Form 124. The voucher is prepared in the auditing department upon a typewriter and at the same time the check is written in favor of the payee. One of the advantages of this form as demonstrated in actual use is that the distribution is shown on the face of the voucher, enabling the items to expenses, etc., to be passed direct to the books without turning over papers. The check is written when the voucher is prepared and thus saves the treasury department a great deal of work.

The president's approval appears on the check as a countersignature, which has the advantage of both approving the pay-



## "INSIDE" ACCOUNTING WORK

THE WESSEX COMPANY																																		
CHECK NO. 20002					AUDIT NO. _____																													
TO _____					MONTH OF _____																													
ADDRESS _____					TREAS. NO. _____																													
IN PAYMENT OF _____					MONTH OF _____																													
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">CHARGEABLE TO GENERAL LEDGER ACCOUNT</th> <th style="width: 10%;">SUB. ACCOUNT NUMBERS</th> <th style="width: 10%;">DIVISION</th> <th style="width: 10%;">AMOUNT</th> <th style="width: 10%;">TOTAL</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>										CHARGEABLE TO GENERAL LEDGER ACCOUNT	SUB. ACCOUNT NUMBERS	DIVISION	AMOUNT	TOTAL																				
CHARGEABLE TO GENERAL LEDGER ACCOUNT	SUB. ACCOUNT NUMBERS	DIVISION	AMOUNT	TOTAL																														
PREPARED BY	CORRECT	CORRECT	APPROVED	APPROVED	APPROVED																													
CHECKED WITH SUMMARY	DISTRIBUTION CHECKED	CORRECT	APPROVED	APPROVED (HEAD OF DEPT.)	APPROVED FOR PAYMENT																													
					PRESIDENT CONTROLLER																													
<b>THE WESSEX COMPANY</b> CHECK NO. 20002      TREASURER'S OFFICE      AUDIT NO. _____ TREAS. NO. _____ PAY TO THE ORDER OF _____ \$ _____ <div style="text-align: right;">DOLLARS</div>																																		
COUNTERSIGNED: _____																																		
PRESIDENT      TREASURER																																		
ENDORSEMENT BY PAYEE IS RECEIPT, IN PAYMENT OF _____																																		

Form 124. Voucher Check (face). Size, 8½ × 11.

Reverse side of above form	THE WESSEX COMPANY Voucher No. _____ Month of _____
----------------------------	-----------------------------------------------------------

Form 124. Voucher Check (reverse).

ment and countersigning the check. The approval of the comptroller appears on the voucher and then, if necessary, appears on the check as a countersignature instead of the signature of the president. The treasurer's office merely has to date the check, stamp in the name of the bank where it is payable, and fill in the signature.

If the invoices have been checked by the proper department official for prices and quantities, by the comptroller's office for mathematical correctness, and approved as a whole by the head of the department concerned, the voucher need bear only the approval of the head of the accounting department and the president of the company.

If it is necessary to pay any voucher without the customary approval, that voucher should be presented to the official as soon afterward as possible and his signature obtained even though the money has been paid.

On the voucher checks, which are made up usually on a typewriter and initialled by the head voucher clerk, only names should be inserted, never titles such as "Mr.," "Mrs.," etc. As soon as the forms are signed by the comptroller, all the vouchers should be entered in the proper voucher book and passed along to the expense ledger clerk and then to their proper destination for the approval of higher officers. After the vouchers have been returned from the other departments with approvals, they are passed to the treasurer for payment.

The treasurer completes the checks by dating them and stamping in the name of the bank where payable, and records the same in the cash book; he then forwards them to the payee. The voucher, or upper half of the form, with papers attached, is returned to the comptroller's office to be filed.

### **Frequency of Vouchering**

Miscellaneous bills should be vouchered promptly. The purchasing agent's bills may be vouchered once a month

except rush or discount vouchers, for which promptness is required. The practice varies a great deal with different companies. Some prefer to voucher and pay their bills every day; others pay weekly or monthly. Where the company is purchasing some items from the same firm nearly every day, a voucher prepared once a month and a payment made once a month are considered sufficient. The merchant who sold the goods receives his money within thirty to forty-five days after the sale of the goods and much work has been saved both in the treasurer's office and in the accounting department.

### Voucher Register

The book for registering vouchers should be specially designed. A very convenient device for avoiding errors in footings carried forward is shown on Form 125.

The first, third, and other odd-number leaves of the book are cut away at the bottom through the "total" line (as shown in the first two columns in the illustration); the second, fourth, and other even-number leaves are cut away similarly through the "total" line at the top (as shown on the "sub-page" of the illustration).

When the entries for the first left-hand page have been registered, the columns are added *up*, and the totals placed at the head of the page. When the second leaf (which is cut away at the top) is turned, these first totals appear over the second left-hand page, which is then added *down*. Since the third left-hand page is cut away at the bottom, when it is turned the second set of left-hand totals appears below this third left-hand page, which is then added *up*.

Since the second leaf is cut away at the top, the printed headings showing above the columns on the first right-hand page are those of the second right-hand page (the first page of the third leaf), itself cut away at the bottom. When the entries on the first right-hand page are added *up*, the totals

THE WESEX															
VOUCHERS PAYABLE - MONTH OF															
DATE ENTERED IN	VOUCHER NUMBER	NAME	PARTICULARS	DATE PAID TO TREAS.	AMOUNT	DATE PAID	TREAS. NO.	DETAIL OF OPER- ATING EXPENSES	Way and Structures	Equipment	Power	Operating Expense (Conducting Parade- float)	Traffic	GENERAL & MISC.	ACCOUNTS PAYABLE
Left-hand Page															
Sub-page															
Right-hand Page															

COMPANY												
AUTHORIZATIONS FOR NEW WORK	MATERIALS & SUPPLIES	ADVANCE TICKET SALES	CASUALTIES AND INSURANCE RESERVE	MISC. REVENUE	ACCURD TAXES	FREIGHT CHARGES	ACCOUNTS PAYABLE	C. & L. RECOVERABLE	COND. AND NOT DONE IT ACCT.	WAGES UN- CLAIMED	PAY-ROLL SUPPLIES	SUNDRY LEDGER ACCTS
Amount No. Acct.	General Stores	Fuel Inventory Expense	Division Amount	Income	Income	On Fuel	Fuel	Idle	Idle	Claimed	Supplies	Name Amount
Right-hand Page												

Form 125. Vouchers Payable Register. Size, 42 x 17.

Under this plan the column totals need not be copied. At the end of the month all that it is necessary to do is to foot the last page and draw off the figures on the journal entry form, as follows: "For vouchers registered in . . . . ., 19 . . . . ., as per voucher register No. . . . ., page . . . . . to . . . . ." (Then give names of accounts to be charged.)

[illegible]

For a voucher register index an ordinary narrow stock ledger will be convenient. All vouchers should be carefully posted to the index book soon after they are registered, as this index is nothing more or less than a list of all registered vouchers arranged alphabetically. Both debit and credit sides of the ledger may be used. As all payments are posted from the cash book into the voucher register and the list of unpaid vouchers

is drawn off each month, it seems unnecessary to post payments into the index book.

Two items of a miscellaneous nature connected with the voucher work of a large corporation should be mentioned here.

### Checking Shippers' Statements

These statements should be checked up each month. Wherever invoices are found to be getting old they should be investigated and correspondence started with the creditors of the company to get all old invoices in as soon as possible, so that the company's books will show all liabilities.

### Redeeming Cancelled Ticket Books

It sometimes is necessary to draw vouchers to redeem cancelled tickets. Local cashiers should redeem the tickets as explained in Chapter IV, charging the person wishing his tickets redeemed with full fare for the number of tickets used, and refunding the difference between this amount and the selling price of the books. The cashier should take a receipt on the regular form and send it in with his working fund voucher, together with tickets or ticket book, as the case may be. The voucher clerk checks up the amount refunded, detaches the ticket or ticket book, and delivers it to the chief clerk with a notation like the following:

.....	COMPANY
Tickets Refunded on.....	Division by.....
.....	Local Cashier
.....	Tickets; Selling Price \$.....
.....	Tickets used at 5c \$.....
Refund of \$.....	
Correct	.....
	Voucher Clerk

The receipt from the party will be sufficient for the voucher clerk to pass the working fund voucher on to the comptroller.

## CHAPTER XXI

### STATEMENTS*

#### Utility of Statements

The work of examining and analyzing the company's activities is taken up promptly each month by means of the statements prepared by the accounting department from the company's accounts and records. The statements formerly issued consisted merely of such summaries of income and expenditure as could be shown on a balance sheet, general or detailed, for a certain period. In later years their number and variety has been greatly increased so that they closely approach the analytical studies of the statistician's office. The line of differentiation between the statistician's reports and the statements is this: The former, as is explained in Chapter XXIII, are prepared from the point of view of the scientist interested in the logical relation of certain facts; the latter, as discussed in the present chapter, are prepared from the point of view of the business man interested in gain or loss.

#### Daily Statements

Owing to the nature of the street railway business there are only one or two of these which are of any particular use to the officers of the company. With nearly all companies the accounting department is called upon to get out a daily statement showing approximately the earnings of each one of the

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*Portions of the material of some of the large forms of this chapter have been omitted in order to emphasize the arrangement. The omitted material is given in the accompanying text. It consists chiefly of headings prescribed by the Interstate Commerce Commission, which may be found, in the same phraseology and order, in the Commission's "Uniform System of Accounts."

company's divisions and sometimes of particular lines or routes. This is about the only daily statement of much interest that can be made up. For this Form 127, "Daily Report of Approximate Passenger Earnings," is used. This state-

THE WESSEX COMPANY						
DAILY REPORT OF APPROXIMATE PASSENGER EARNINGS						
	Month of _____ to date					
	19	19	Inc.-Black Dec.-Red	19	19	Inc.-Black Dec.-Red
Hamilton						
Dundas						
Ancaster						
Greensville						
Grimsby						
Freelton						
Watertown						
Total Wessex Co.						
Hamilton & Dundas Ry. Co.						
Ancaster St. R.R. Co.						
Grand Total						
Date _____ 19__						
Comptroller: _____						

Form 127. Daily Report of Passenger Earnings, compiled by Divisions. Size,  $8\frac{1}{2} \times 9$ .

ment shows, first, the divisions of the company, then the earnings for the day and for the corresponding day of the previous year. It is made up promptly on receipt of the necessary information each day.

Another statement sometimes prepared may be termed a daily receipts and disbursements statement. Some of the officials of the road may wish to know just how much money has been taken in or paid out during each day of the year. This information, of course, is readily obtained from the treasurer's office or direct from the cash books of the company, but it is convenient to have it in ready form. Form 128 is used.



<b>THE WESSEX COMPANY</b>	
Cash Receipts & Disbursements.....	191.....
Cash Balance .....	191.....
<b>RECEIPTS</b>	
From Agents and Conductors	\$.....
" Individuals & Companies	.....
" Dividends & Interest.	.....
.....	
.....	
\$.....	
<b>DISBURSEMENTS</b>	
1. Pay-rolls	.....
2. Operating Expenses	.....
3. Improvement Authorizations	.....
4. Fuel	.....
5. Other Material & Supplies	.....
6. Taxes	.....
7. Freight Bills	.....
8. Casualty and Insurance Reserve	.....
9. Trustees Insurance Fund	.....
10. Charges Recollectible	.....
11. Interest and Rentals	.....
12. Miscellaneous	.....
.....	
.....	
Cash Balance.....	191..... \$.....
Amount of unpaid vouchers in Treasurer's Office.	

Form 128. Daily Receipts and Disbursements. Size,  $8\frac{1}{2} \times 14$ .

When the information is taken off the cash book the items are placed under their respective headings and all miscellaneous items of expense are put in under item No. 12, "Miscellaneous."

Of course, the particular headings for receipts and disbursements here given follow the convenience of one particular company. With another company they might be different.

Special daily statements are sometimes called for, it is true, but they are so uncertain and irregular that they need not be dwelt on here. The nature of the business is such that daily comparisons are of little use. After the earnings have been compiled, or certain expenses have been watched for several days, statements regarding them are of much more value.

**Weekly Statements**

Most of the work on statements and reports is carried on from day to day, the actual results appearing once a month. Weekly statements are rarely more than compilations of daily statements already mentioned, often made on similar forms.

A weekly report of approximate passenger earnings is thus made up on Form 127, used for the daily report, and a weekly statement of cash receipts and disbursements on Form 128.

**Monthly Statements**

Most of the statements and reports of a street railway company are prepared monthly. Manifestly, a monthly statement is of much more value than one covering a shorter period. Useful comparisons may be made with similar months of the previous year, whereas comparison of a day of one year with the same day of another year is inconclusive. A certain day this year may be bright and sunny so that the street cars take in a good deal of money, while the corresponding day last year was rainy, and only a small amount of money was taken in.

The numerous statements called for, moreover, by state or city authorities are usually monthly statements. For various reasons, it has grown to be a custom with street railways to issue their statements monthly, and this uniformity of practice is a very good thing as it makes comparisons of various roads much easier than if some companies were to issue their statements monthly and others weekly or daily.

**Monthly Income Report**

As soon as the books are closed for the month and a trial balance obtained, the head bookkeeper prepares a monthly income report, as on Form 129. At the left and right are figures for the current month and for the year to date, with those for the previous year. Under "Non-Operating Income,"

THE WESSEX COMPANY									
INCOME ACCOUNT									
For the Month			Inc.-Black Dec.-Red		For... Mo. ended			Inc.-Black Dec.-Red	
191	191	191			191				
				Total Operating Revenue					
				Total Operating Expenses					
				NET OPERATING REVENUE					
				Net Revenue from Outside Operations					
				TOTAL NET REV. FROM OUTSIDE OPER.					
				TOTAL NET REVENUE					
				Taxes					
				OPERATING INCOME					
				NON-OPERATING INCOME					
				Income from Lease of Road					
				Miscellaneous Rent Income					
				TOTAL NON-OPERATING INCOME					
				TOTAL INCOME					
				DEDUCTIONS FROM GROSS INCOME					
				Rent for Leased Roads					
				Miscellaneous Rents					
				TOTAL DEDUCTIONS FROM INCOME					
				NET INCOME					
				Dividends					
				SURPLUS NET INCOME					
				DEFICIT					

for details of Operating Revenue, Expenses, and Statistics, see Sheets:

Form 129. Monthly Income Account. Size, 10½ × 12.

in addition to the accounts shown in the illustration, are: Net Income from Miscellaneous Physical Property; Dividend Income; Income from Funded Securities; Income from Unfunded Securities and Accounts; Income from Sinking Fund and Other Reserves; Release of Premiums on Funded Debt; Contributions from Others; Miscellaneous Income. Under "Deductions from Gross Income" are also: Miscellaneous Taxes; Net Loss on Miscellaneous Physical Property; Interest on Funded Debt; Interest on Unfunded Debt; Amortization of Discount on Funded Debt; Income Transferred to Other Companies; Maintenance of Organization—Lessor Company; Miscellaneous Debits.

**Relation to Interstate Commerce Commission Accounts**

This statement agrees almost exactly with the income accounts prescribed by the Interstate Commerce Commission in their "Uniform System of Accounts," pages 51-62. The case is the same with respect to the general balance sheet, and the earnings and expenses reports below (Forms 130-134).

A street railway company which is an interstate road comes automatically under the jurisdiction of the Interstate Commerce Commission, and the "Uniform System of Accounts" must, of course, be followed absolutely in compliance with the law. A street railway company which is located entirely within one state and does not connect with any other carrier is not obliged to follow the "Uniform System of Accounts." Nevertheless, the writer believes it would be of advantage to all companies whether doing an interstate business or not, to follow the Commission system, because then a good comparison of all street railway accounts and reports could be obtained. It is to be hoped that all street railway companies will adopt this idea, as well as all state commissions which differ in their accounting requirements.

**The General Balance Sheet**

The general balance sheet of the company may now be prepared, arranged as shown on Form 130. The accounts here correspond closely with those of the Interstate Commerce Commission "System," pages 71-88.

On the "Assets" side there are also numbers 405, 406, 410-413, and also the general group "Unadjusted Debits," numbers 416-422. There is also a single heading, "Expenditures on Leased Lands," not on the Commission's list, and the accounts headed "Corporate Deficit" are not given by the Commission.

On the "Liabilities" side, numbers 433-436, 438, and the group of "Unadjusted Credits," numbers 439-446, of the

THE WESSEX COMPANY												
GENERAL BALANCE SHEET _____ 19 ____												
ASSETS						LIABILITIES						
PROPERTY OWNED AS INVESTMENT:						STOCK:						
Physical Property Owned						Capital Stock						
Additions & Betterments - Current Year												
Sinking Fund												
Deposits in Lieu of Mortg Property Sold						LONG TERM DEBIT:						
Miscellaneous Physical Property						Funded Debt Unmatured						
CURRENT ASSETS:						CURRENT LIABILITIES:						
Cash						Loans and Notes Payable						
Special Deposits						Audited Accounts and Wages Payable						
Loans and Notes Receivable						Miscellaneous Accounts Payable						
DEFERRED ASSETS:						DEFERRED LIABILITIES:						
Insurance and Other Funds						Liability for Provident Funds						
CORPORATE DEFICIT:						CORPORATE SURPLUS:						
Profit and Loss Account prior to Acquisition						Profit and Loss Account prior to Acquisition						
" " " since Acquisition						" " " since Acquisition						
Income Account Current Year						Income Account Current Year						
TOTAL ASSETS:						TOTAL LIABILITIES:						

Form 130. General Balance Sheet. Size, 10½ × 12.

Commission list are given, and numbers 424, 426, 428, and 439 are omitted. The accounts under "Corporate Surplus" differ from the Commission list.

The slight variations from the Commission list of accounts represent merely a point of local opinion. The writer thoroughly approves the Commission's classification both for profit and loss accounts and for the general balance sheet.

### Monthly Operating Earnings and Expense Reports

When the expense ledgers are closed for the month, the figures for the earnings and expenses of the company as a whole and by divisions may be drawn off for proving on large sheets, as illustrated by Forms 131 and 132.

THE WESSEX COMPANY									
EARNINGS AND EXPENSES									
1 Passenger Revenue									
2 Baggage Revenue									
3 Parlor, Sleeping, Dining, and Spec. Car Rev.									
4 Mail Revenue									
TOTAL REVENUE FROM TRANSPORTATION									
10 Station and Car Privileges									
11 Parcel Room Receipts									
12 Storage									
TOTAL MISCELLANEOUS REVENUE									
TOTAL OPERATING REVENUE									
TOTAL OPERATING EXPENSES									
NET OPERATING REVENUE									
EXPRESS DEPARTMENT									
5 Express Revenue									
6 Milk Revenue									
TOTAL EXPRESS DEPT. REVENUE									
24B Express Stations and Platforms									
36B Vehicles and Horses									
TOTAL EXPRESS DEPT. EXPENSES									
NET REVENUE EXPRESS DEPT.									

Form 131. Earnings and Expenses. Size, 16 X 14.

THE WESSEX COMPANY					SHEET NO. 1	
OPERATING EXPENSES						
1 Superintendence of Ways & Struct.						
2 Ballast						
3 Ties						
4 Rails						
TOTAL WAY AND STRUCTURES						
29 Superintendence of Equipment						
30 Passenger and Combination Cars						
31 Freight, Express, and Mail Cars						
TOTAL MTC. OF EQUIPMENT						
45 Superintendence of Power						
46 Power Plant Bldgs, Fixtures & Grounds						
47 " " Equipment						
48 Substation "						
TOTAL POWER						
TOTAL (Carried forward to Sheet No 2)						

THE WESSEX COMPANY					SHEET NO. 2	
OPERATING EXPENSES						
63 Superintendence of Transportation						
64 Passenger Cond., Motormen & Trainmen						
65 Frt. & Exp. " " "						
66 Misc. Car Service Employees						
TOTAL CONDUCTING TRANSPORTATION						
79 Superintendence and Solicitation						
80 Advertising						
81 Parks, Resorts and Attractions						
TOTAL TRAFFIC						
83A Salaries & Exp. of Genl. Offices - Pass Dept.						
83B " " " " " " - Exp. Dept.						
TOTAL GENERAL & MISC.						
TOTAL (Sheet No. 2)						
TOTAL (Carried Forward from Sheet No. 1)						
GRAND TOTAL OPERATING EXPENSES						

After the figures have been proved with the general ledger totals, they should be transferred to sheets of portfolio size, as on Forms 133, 134, 135, for permanent pen and ink copies.

THE WESSEX COMPANY									
EARNINGS AND EXPENSES									
For the Month		Inc-Black		EARNINGS		For... Mos ended...		Inc-Black	
191	191	Dec	Red			191	191	Dec	Red
				1	Passenger Revenue				
				2	Baggage Revenue				
				3	Parlor and Special Car Revenue				
				4	Mail Revenue				
				TOTAL REVENUE FROM TRANSPORTATION					
				10	Station and Car Privileges				
				11	Parcel Room Receipts				
				12	Storage				
				TOTAL MISCELLANEOUS REVENUE					
				TOTAL OPERATING REVENUE					
				TOTAL OPERATING EXPENSES					
				NET OPERATING REVENUE					
				Mileage Operated (1 st and 2 nd Tracks)					
				Revenue Passengers Carried					
				Free Tickets Collected					
				TOTAL REVENUE CAR MILEAGE					
				Non-revenue Motor Car Mileage					
				" " Trailer " "					
				TOTAL CAR MILEAGE					
				Per Cent. of Operating Exp. to Earnings					
				Daily Average Receipts					
				" " Expenses					

Form 133. Earnings and Expenses. Size, 10½ × 12.

Form 133 gives a summary of the month's earnings. First are given the 19 Operating Revenue accounts in the Interstate Commerce Commission's "System," pages 43-49. Following "4. Mail Revenue" are the revenues from express, milk, freight, and switching. Following "12. Storage" are demurrage, telephone and telegraph service, and rent of tracks and facilities, of equipment, of buildings and other property.

The lower part of the form shows, following "Free Tickets



Collected," seven headings giving statistics regarding transfers, K. W. H. supplied, and mileage for all classes of cars, and following "Daily Average Expenses," twelve headings analyzing car-mile expense and traffic.

THE WESSEX COMPANY						SHEET 2	
OPERATING EXPENSES							
For the Month		Inc.-Black Dec.-Red		For... Month ended		Inc.-Black Dec.-Red	
191	191			191	191		
			Brought forward From Sheet No. 1				
			45 Superintendence of Power				
			46 Power Plant Bldgs. Fix. & Grounds				
			47 Power Plant Equipment				
			48 Substation Equipment				
THE WESSEX COMPANY						SHEET 1	
OPERATING EXPENSES							
For the Month		Inc.-Black Dec.-Red		For... Month ended		Inc.-Black Dec.-Red	
191	191			191	191		
			1 Sup'tnce. of Way and Struct.				
			2 Ballast				
			3 Ties				
			4 Rails				
			28 Equalization-Way and Struct.				
			TOTAL WAY AND STRUCTURES				
			29 Sup'tnce of Equipment				
			30 Passenger & Combination Cars				
			44 Equalization-Equipment				
			TOTAL MTCE. OF EQUIPMENT				
			Total (Carried Forward to Sheet 2)				
			97 Rent of track & facilities				
			98a Rent of Equipment				
			99 Other Operations-Dr.				
			100 Other Operations-Cr.				
			TOTAL GEN'L. AND MISC.				
			EXPRESS DEPARTMENT EXPENSES				
			GRAND TOTAL OPERATING EXPENSES				

Form 134. Operating Expenses. Size, 10½ × 12.

Form 134 is a very elaborate report, made out on two sheets, shown as 1 and 2 in the illustration. Its headings are practically identical with the 100 headings prescribed by the Interstate Commerce Commission "System," pages 9-42, with the exception of the accounts numbered by the Commission 65, 76, and 77. These refer to express expenses and are given instead on Form 135.

On Sheet 1 there are 28 headings dealing with "Way and Structures," and 16 dealing with "Maintenance of Equipment." On Sheet 2 there are 18 dealing with "Power"; 13 with "Conducting Transportation"; 4 with "Traffic"; 18 with "General and Miscellaneous."

THE WESSEX COMPANY									
EXPRESS DEPARTMENT									
STATEMENT OF EARNINGS, EXPENSES, ETC.									
<small>Note - This Statement is intended to show how much Net Revenue is received from this Business as against what might be received, as a Percentage of Gross Revenue, if the business were handled by an outside Express Company. This includes the specific expenses of the Express Business together with an equitable proportion of the administration and general office expenses. It does not include any charge for Maintenance of Track, Line or Equipment, or for Power or other Facilities furnished.</small>									
For the Month.....		Inc.-Black		EARNINGS	For... Mos ended....		Inc.-Black		
191	191	Dec.-Red	191		191	Dec.-Red			
				5 Express Revenue					
				6 Milk Revenue					
				7 Freight Revenue					
				8 Switching Revenue					
				TOTAL EXPRESS DEPT REVENUE					
				24b Express Stations and Platforms					
				38b Vehicles and Horses					
				65 Frt & Exp Cond, Mot and Trainmen					
				67b Misc Car Service Expenses					
				TOTAL EXPRESS DEPT EXPENSES					
				NET REVENUE EXPRESS DEPT					
				Freight Motor Car Mileage					
				" Trailer " "					
				Express Car Mileage					
				TOTAL CAR MILEAGE					
				Per Cent of Operating Exp. to Earnings					
				Daily Average Receipts					
				" " Expenses					
				Total Revenue per Car Mile					

Form 135. Express Earnings and Expenses. Size, 10½ × 12.

**Form 135** is principally a detail made up from the two preceding reports. The figures for the month and for the current year, compared with the preceding year's figures, are shown at the left and right. Under "Earnings" are given, in addition to the headings shown in the illustration, those numbered 12, 13, and 15 on the Interstate Commerce Commission's Operating Revenue list. Following "67b, Miscellaneous Car Service Expenses" come those numbered 68, 69, 76, 77, 80, 83, 84, 85, 89, 94, 96, 97, 98 on the Commission's Operating Expenses list. Following "Total Revenue per Car Mile" are given also Total Operating Expenses per Car Mile, and Net Revenue per Car Mile.

The elaborate statements described above, constituting the final summary of the company's business, must be prepared, of course, with the utmost accuracy.

Most of these statements are made up by the bookkeepers, but they should be passed through the hands of the statement clerk, when there is one, before going to the stenographers. Before finally passing these balance sheets and income statements, the statement clerk should make sure that all notes or memoranda which should be shown upon them are duly made.

It may be remarked, however, that inasmuch as this material has been largely standardized by the Interstate Commerce Commission, these important statements present actually less difficulty of treatment—aside from the need of accuracy—than do some of the other reports, etc., mentioned heretofore.

#### **Monthly General Stores Receipts and Disbursements**

This report, which is almost as inclusive and important as those just mentioned, will be compiled from the general stores detailed ledger on Form 136.

This statement shows: the divisions of the company; the balance in money value of materials on hand the first of the month; the receipts of material during the month—this mate-

THE WESEX COMPANY												
Statement Showing Movement of Material and Supplies, Including Scrap, During May, 1917												
RECEIPTS—MAY, 1917.					DISBURSEMENTS—MAY, 1917.							
Divisions	Balance Apr. 30, 1917	By Purchase	By Transfer	Scrap	Total Receipts	Grand Total	Issues	Trans- fers	Scrap Sales	Total Disbursed	Balance May 31, 1917	Balance May 31, 1916
General Storehouse												
Hayesland												
Hamilton												
Dundas												
Ancaster												
Watertown												
Greensville												
Total												
..... COMPTROLLER												

Form 136. Statement of General Stores Receipts and Disbursements. Size, 17 × 10½.

rial divided to suit local requirements, although for a small road this division may be omitted; the total on hand and received; the disbursements divided; the balance on hand the last of the month; and the corresponding balance of the previous year. This statement is too elaborate for the requirements of a small company and in such cases should be modified to meet the conditions.

### **Earnings by Routes Statement**

This is a very useful income statement which may be drawn up on Form 137. It is made up from the reports sent in by the division cashiers as explained in Chapter III, and forwarded to the comptroller's office as soon after the first of each month as possible. The division reports should be carefully gone over and the statistical information worked out and checked. The car hours and car mileage should agree with the car mileage and car hours reports sent in by the division cashiers. The total number of revenue passengers and of transfer passengers should agree with the number reported by the division cashiers on Form 16 (see page 39). The total number of revenue passengers multiplied by five cents should equal the total receipts of regular and extra cars. When there is an increase or decrease in car hours, there should be a corresponding increase or decrease in car mileage unless the running time of cars or length of route has been changed—a condition which should be explained by the division cashier.

All of these reports from the division cashiers should be received and properly taken care of before the 12th of each month. If on the morning of the 12th they are not all received, they should be written for, and again on the morning of the 13th. If on the morning of the 14th they have not been received the matter should be referred to the chief clerk. As soon as each statement is checked it should be given to the chief clerk or stenographers to be typewritten.

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**Form 137. Approximate Earnings by Routes. Size, 18 × 17.**

At a convention of street railway accountants held in San Francisco in the fall of 1915, it was suggested that this kind of a statement be eliminated and a better one substituted, but up to the present time none has been presented; and while improvements will doubtless be devised before long, this approximate earnings by routes statement is still very useful to the operating officials.

### Earnings and Expenses of Parks

This statement (Form 138) will be found useful if the company operates pleasure parks. (See pages 155 and 156.) As will be noted, it is similar in form to the regular operating expense statement.

THE WESSEX COMPANY									
PARK EARNINGS AND EXPENSES									
For the Month.....		Inc-Black Dec-Red	EARNINGS	For.....Mo ended.....		Inc-Black Dec-Red			
191	191			191	191				
			1 Rent of Privileges						
			2 Theatre						
			3 Merry-go-round						
			4 Boats						
			5 Miscellaneous						
			TOTAL EARNINGS						
			OPERATING EXPENSES						
			B Maintenance of Buildings						
			C Care of Grounds						
			D Policing of Grounds						
			TOTAL EXPENSES						
			NET EARNINGS						
			DEFICIT						
Comptroller									

Form 138. Park Earnings and Expenses. Size, 10½ × 12.

After D, Policing of Grounds, are given also: E, Lighting and Illumination; F, Music; G, Fireworks; H, Special Attrac-

tions; I, Boating Expenses; J, Merry-Go-Round; K, Theatre; L, Rent of Pianos; M, Printing and Advertising; N, Rent of Land and Building; O, Miscellaneous.

The park expense statement should be prepared as far as possible in advance, the figures for the previous year being made up from the similar monthly reports for that year, and those for the current year from the park expense detail ledger kept by the special expense ledger clerk. These statements should be completed, the increases and decreases checked with the portfolio, and the statements given to the chief clerk immediately after closing the month's accounts.

#### **Power Station Cost Statements**

For these Form 139 may be used. Like the operating statements, this statement of power station cost should be prepared as far as possible in advance. The current figures may be found in the power station expense detail ledger kept by the special expense ledger clerk, with one exception. The kilowatt-hours output of the stations should be taken from the statistical book, if one is kept; if not, then from the regular K. W. H. reports on Form 110 (page 249), which should be sent in each month from the engineers of the stations. The power output reports should all be received in the comptroller's office not later than the 9th of each month. If they are not in by the afternoon of the 9th, the superintendent or engineer concerned should be written to, and again on the afternoon of the 10th, and on the morning of the 11th the matter should be taken up with the comptroller or the chief clerk. When received the reports should be O K'd by the chief engineer or his assistant. A record should be made in the statistical book and whatever information is necessary transferred to the monthly statements. These statements should be completed and handed to the chief clerk not later than the 26th of each month.



THE WESSEX COMPANY													
STATEMENT OF POWER-STATION EXPENSES FOR _____													
NAME OF STATION <input type="radio"/>	MAINTENANCE				OPERATION					Total Main- tenance and Operation	KWH Cost per Output	Total Cost per KWH	
	Building	Steamer Hydraulic Plant	Electric Plant	Total Maintenance	Supt of Power	Wages	Fuel	Water	Lubricants				Misc Supp and Expenses	Total Operation
<input type="radio"/>	Current Year												
	Last Year												
	Inc - Black Dec - Red												
<input type="radio"/>	Current Year												
	Last Year												
	Inc - Black Dec - Red												
<input type="radio"/>	Current Year												
	Last Year												
	Inc - Black Dec - Red												
<input type="radio"/>	Current Year												
	Last Year												
	Inc - Black Dec - Red												

Form 139. Power Station Expenses. Size, 17 X 14.

**Accident and Casualty Reports**

A monthly report of accidents and casualties may be made to the president of the company on Form 140.

THE WESSEX COMPANY												
MONTHLY ACCIDENT REPORT												
DIVISION _____ MONTH OF _____												
	NO. OF ACCIDENTS	NUMBER OF PERSONS								ACCIDENTS PAID FOR		
		NO INJ	NO ILL	Pass. K	Emp. I	Others K	Total I	Pass. K	Emp. I	Others K	Total I	
1. COLLISIONS OF CARS												
(a) head on												
(b) rear end												
(c) cross												
2. DERAILMENTS												
(a) at switch												
(b) at curve												
(c) others												
3. COLLISION WITH VEHICLES												
(a) motor driven												
16. EJECTMENTS												
17. DOORS, GUARD RAIL, WINDOWS												
18. MISCELLANEOUS												
TOTAL												
<div style="display: flex; justify-content: space-between;"> <span>Claim Agent _____</span> <span>Manager _____</span> </div>												

Form 140. Monthly Accident Report. Size, 8½ × 11.

After "Collision With Vehicles," the following items appear: (b) horse driven; (c) bicycles. 4. Collision with Person; (a) on public way; (b) on private way. 5. Defective Equipment; (a) clothing damaged; (b) personal injury. 6. Boarding cars; (a) at rest; (b) in motion. 7. Alighting from Cars; (a) at rest; (b) in motion. 8. Electric Current; (a) at station; (b) on line; (c) on car; (1) controller blow-out; (2) others. 9. Shop. 10. Power Station; (non-electrical). 11. Track. 12. Line; (non-electrical). 13. Injured or Thrown While in Cars; (not in collision). 14. Falling from Cars; (when not purposely alighting). 15. Stealing Rides.

This is a statement of great interest to the officers of a railway company. The company must prevent accidents in every way possible. These definite reports serve as danger signals

and lead to campaigns to prevent accidents. The form here shown indicates by divisions the amount actually expended in settlement of damage claims during the month, as compared with the amount reserved to take care of such claims, and gives the balance either over or under the estimated reserve.

### Authorization Statement

This statement on Form 141 summarizes the amount of work on additions and betterments for the month. It is prepared on the 20th of each month from the authorization ledger, and should show the amount authorized for additions and betterments (see Chapter XV), the amount expended to date, the balance available or the amount overexpended, and

THE WESSEX			
Expenditures Under Improvement Authorities to.....191..			
No. of Authorization	Date Authorized	Name of Authorization	Amount of Authorization

COMPANY			
Expended to Date	Balance Available	Excess Expenditure	Remarks

Form 141. Authorization Statement (left and right half).  
Size, 16½ × 16.

the progress of the work. These are extremely important figures, used very largely by a number of the officers.

THE WESSEX COMPANY									
COMPARISON OF MAINTENANCE OF EQUIPMENT EXPENSES (EXCEPT POWER STATION FOR _____)									
								TOTAL	
CARS AND LOCOMOTIVES									
Labor									
Material									
Appropriations									
Cars and locomotives, Accts 32-33-34 Current Year									
" " " " 32-33-34 Last Year									
Increase - Black									
Decrease - Red									
ELEC. EQUIPMT. - CARS & LOCOMOTIVES									
Labor									
Material									
Appropriations									
Misc. Equipment, Accts 35-40A Current Year									
" " " " 35-40A Last Year									
Increase - Black									
Decrease - Red									
SHOP MACHINERY AND EXPENSES									
Labor									
Material									
Increase - Black									
Decrease - Red									
Total Maintenance of Equipment Current Year									
" " " " Last Year									
Increase - Black									
Decrease - Red									
Total Car Mileage									
DATE _____								Comptroller _____	

Form 142. Comparison of Maintenance of Equipment Expenses.  
Size, 16 × 13.

### Maintenance of Equipment Statement

This statement, which is also indispensable, is prepared on Form 142. It should be prepared as early as possible in each month. As an additional precaution, the figures taken from the expense ledgers of the company should be checked with the earnings and expense sheets (Forms 131 and 132).

The accounts are grouped under four general headings:

Cars and Locomotives; Electric Equipment, Cars and Locomotives; Miscellaneous Equipment; Shop Machinery and Expenses. Under each of these are four sub-heads: Labor, Material, Appropriations, Miscellaneous, and the group totals compared with those for the previous year. The separation of labor, material, authorization, and miscellaneous expenses is a point which is of decided help to the operating officials.

### Comparison of Maintenance of Way and Structures Statement

This statement on Form 143 is similar to the "Comparison of Maintenance of Equipment." The accounts are grouped

THE WESSEX COMPANY									
COMPARISON OF MAINTENANCE OF WAY AND STRUCTURES FOR MONTH OF _____ 191									
TRACK AND ROADWAY					TOTAL				
Labor									
Material									
Appropriations									
Track and Roadway, Accts. 1-19					Current Year				
" " " " 1-19					Last Year				
Increase - Black									
Decrease - Red									
ELECTRIC LINES									
Labor									
Material									
Appropriations									
Electric Lines, Accts. 20-24					Current Year				
" " " " 20-24					Last Year				
Increase - Black									
Decrease - Red									
BUILDINGS AND FIXTURES									
Labor									
Material									
Buildings and Fixtures, Accts. 25-28					Last Year				
Increase - Black									
Decrease - Red									
Total Way and Structures,					Current Year				
" " " " "					Last Year				
Increase - Black									
Decrease - Red									
DATE _____					Comptroller _____				

Form 143. Comparison of Maintenance of Way and Structures.  
Size, 16 × 10½.

under three general headings: Track and Roadway; Electric Lines; Buildings and Fixtures. These are subdivided exactly as in the case of the maintenance of equipment form just given.

#### **Cost of Oil Used Statement**

This statement may be conveniently prepared on forms furnished by the oil company. It is made up from Form III (see page 251) sent in by the division managers. As soon as the statements are completed, they should be sent to the mechanical engineer's office to be checked up, and should then be handed to the chief clerk, who will see to their proper distribution.

#### **Miscellaneous Monthly Statements**

Among the many other statements which might be prepared monthly, if the management desired, are:

A monthly telephone cost statement			
"	"	statement showing compensation payments	
"	"	"	showing hours worked by conductors and motormen
"	"	"	of additions and betterments
"	"	"	showing cost of coal and handling
"	"	"	of express and freight handled

It will be observed that to draw a clear line of distinction between some of these and some of the reports prepared in the statistician's office (Chapter XXIII) is not always easy.

#### **Yearly Statements and Reports**

Under this special division will naturally come the annual figures for each fiscal year and in addition the annual reports to various governmental commissions. About these there is

not much to be said. The Interstate Commerce Commission requires a yearly statement from all street railways under its jurisdiction. All the different states, moreover, most of which have public service commissions, require annual statements to be filed with the proper state department.

#### **Public Service Commission Statements**

It seems hardly necessary to discuss here the statements required by commissions. In the first place, those of the different states vary so widely that any complete treatment would be very lengthy. In the second place, the requirements for them are very explicitly set forth by the commissions themselves and are easily obtainable.

It may be said, however, that owing to the great demand upon the various companies by the public utilities commissions, the tax commissions, and the Interstate Commerce Commission, it is advisable to have a first-class clerk specially assigned to this line of work.

#### **Statements to Officials and Stockholders of the Road**

Aside from the reports to commissions, it is a rapidly growing practice for large street railway companies to get out an annual report to their stockholders or directors, and this annual statement is usually printed in large quantities so that it can be delivered to the general public if desired. Great care should be taken to see that these annual statements are prepared properly and in accordance with the rules prescribed by the utilities commissions, and especially to make sure that they agree with the totals shown in the regular monthly statements of the company. The yearly statements, in fact, while covering a longer period, present comparatively little difficulty in preparation, except where special information is called for. Of this special information, it is true, a good deal is usually

called for, so that the work in connection with the yearly report is after all considerable.

Many other yearly statements and reports may be made up, depending, of course, upon what the president and other officers of the company may desire to know.



## CHAPTER XXII

### DETAILS OF DEPARTMENTAL MANAGEMENT

#### **Filing Systems**

Owing to the organization of the business of a street railway company, the amount of routine matter—forms, reports, letters, etc.—is unusually large. A great deal of this routine matter has to be kept on file in either general or division offices. A good filing system is therefore of particular importance.

The files of a street railway company are different from those of a manufacturing company. A manufacturing plant or a wholesale house may perhaps arrange its files geographically to facilitate reference to a particular territory, or alphabetically, or according to modifications of the geographical method, by stations, etc. With most street railway companies, however, it has been found advantageous to file by subjects. This method is particularly good for street railways because as a usual thing the material to be filed does not run into ramifications of subjects. For instance, the question of tickets, or armatures, or rails is covered by a file for each subject. There are cases where these files are divided and subdivided, but in most cases the one subject file will be sufficient for the purpose.

Where it is possible, a large vault should be provided so that all files can be kept where they can be carefully looked after and protected from fire and danger of loss. Receipts should be provided so that when papers of any kind are taken from the vaults, a receipt can be signed for them.

The clerks in charge of the files should follow up all papers not returned within a reasonable time and keep the files as complete as possible.

### Method of Destroying Old Records

As the accumulation of letters, reports, forms, etc., is constantly outgrowing any possible storage facilities, old papers must periodically be destroyed to make room. The following procedure may be followed:

The comptroller is given authority to decide regarding the destruction of any records. All managers, superintendents, cashiers, stores keepers, express agents, claim agents, etc., prepare lists from time to time which show the records they wish to destroy and designate the periods covered. These lists are forwarded to the comptroller and if approved by him are submitted at the next regular meeting of the board of directors for their approval. After the approval of the board has been obtained, a "Certificate of Destruction" (Form 144) is made out, describing the records and showing the periods which they cover.

<b>THE WESSEX COMPANY</b> <b>Certificate of Destruction of Accounts, Records,  or Memoranda</b>	
Description	Period or Periods Covered
<p>I ..... have this day destroyed the above.....  in accordance with authority dated.....and certify that no  other Accounts, Records, or Memoranda have been destroyed  herewith.</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Witnessed</b></p> <p>1. ....</p> <p>2. ....</p> <p>3. ....</p> </div> <div style="width: 45%;"> <p><b>Signed</b>.....</p> <p><b>Dated</b>.....</p> </div> </div>	

Form 144. Certificate of Destruction of Records. Size,  
8½ × 10.

This certificate is forwarded with a letter of authority to the person who requested permission to destroy the particular records. On receipt of the letter of authority and the certificate, the records are immediately destroyed and the certificate signed and dated by the official who destroys them and by three others as witnesses. The certificate is then returned to the comptroller's office and filed as a permanent record.

### **Labor-Saving Devices**

There is so much detail work in connection with street railway accounting that it is important to use all of the modern labor-saving devices. All modern offices, of course, are provided with telephones and in large ones an intercommunicating set should be installed; this saves many steps and adds to the efficiency of the office.

The arrangement with regard to the stenographic work depends entirely upon circumstances. In a large office, however, the general statement stenographers should be in a separate room so that their work will not interfere with the work of the general letter-writing stenographers or of special stenographers to the different officials. The work should be under a competent head stenographer who is acquainted with all details and can lay the work out properly for each one of the staff.

No modern office of any size whatever should be without a duplicating machine of some sort. Computing machines are also necessary. No large office can afford to be without up-to-date computing machines adapted to the particular kind of work. In the mailing room, also, machines such as stamp affixers, envelope sealers, addressing machines, etc., will be found very useful.

In addition to the various kinds of typewriting and computing machines already mentioned, there are some special machines for the handling of cash and tickets. Among these

is a machine for sorting tickets from cash, another for sorting coins into the different denominations, others for counting the cash by denominations—including the dropping of the coins into sacks ready to be enclosed in coin wrappers so that the operator has only to remove the filled wrapper and crimp the open end. A machine for counting tickets, when properly operated, will count from 25,000 to 30,000 tickets in an hour.

### **Economies**

All employees should realize the importance of economy in the office. In the railroad office there are various ways of promoting economical operation.

Much of the communication between different offices of the company may be carried on company cars, saving both time and expense.

An effort should be made to cut down the use of the telephone for long distance and toll line purposes when the matter can be handled satisfactorily by correspondence.

In all large concerns economy in stationery is an important matter. A considerable saving can be effected: (1) by cutting paper for forms, etc., in the most economical sizes so as to minimize waste; (2) by using a cheaper grade of stationery for the vast amount of correspondence between offices. A railroad is better able to economize in this way than some other kinds of business concerns whose correspondence is chiefly with their customers.

### **Fidelity Insurance**

Some companies purchase this insurance, while others do not consider it necessary. The writer is strongly in favor of it. No special record is necessary other than an alphabetically arranged card record giving the name of the employee and date and amount of bond.

A most important question, of course, is that of the amount for which the employee should be bonded. A tentative set of instructions based upon experience has been prepared as follows:

1. Cashiers, car receivers, cash clerks, and messengers should be bonded for 75% of the maximum funds within their control at any time. In cases of cashiers, the maximum funds represent the aggregate of the weekly pay-roll, one day's receipts, and the working fund. The assistant cashier, who in the absence of the cashier performs all the duties of the cashier, should be bonded in the same amount. The maximum funds, so far as cash receivers, cash clerks, and messengers are concerned, represent funds actually handled by them, or located in safes to which they have access. The fact that at times they might have two days' receipts on hand should be considered. Clerks working in cashiers' offices who do not have access to the safes containing large sums of money, should be bonded for \$1,000; this has a moral effect if nothing more. In determining the maximum funds, in every case, the busy season of the year should be taken into consideration.

2. Claim agents should be bonded for the amount of their working fund and \$1,000 additional to cover possible fraudulent settlements, or advances from other claim agents and cashiers from time to time, to increase the working fund in cases of emergency. The assistant to the claim agent, who may perform all the duties of the claim agent in his absence, should be bonded for an amount equal to that of the claim agent. Other assistants to the claim agent should be bonded for \$500 to cover funds entrusted to them by the claim agent, and possible fraudulent settlement of claims.

3. Timekeepers should be bonded for 10% of the weekly pay-roll made up by them. The minimum bond should be \$500 in every case.

4. Stores keepers who handle large amounts of materials,

say \$50,000 worth, should be bonded for \$1,500 and their next assistants for \$500. Stores keepers at smaller places should be bonded for \$500.

5. Express agents and cashiers should be bonded for \$2,000 if the station is fairly large; and for \$1,000 or so if the station is small. Express messengers, drivers, clerks in the office, and those receiving clerks and billing clerks who handle funds should be bonded for \$500. Messengers and others who may handle substantial funds of the company for transportation from one point to another, as for example those who carry the railway receipts to the cashier's office, should be bonded for the maximum amount so handled.

6. The clerk in the comptroller's office having charge of the ticket stock should be bonded for \$2,000 and his helpers for \$1,500. These are the only employees who should have access to the stock-room.

7. Local officials having the combinations of any of the safes which contain money should be bonded for an amount equal to the maximum funds in the safes at any time.

8. Employees working for more than one company, in case two or more companies should be represented in the same office, should be bonded separately by each company served.

If there are other employees to be bonded, the above may be a general guide.

Advice of any changes among the bonded employees should be sent promptly to the comptroller's office.

### **Working Library**

A most useful adjunct of a modern accounting office recommended recently by the Educational Committee of the American Electric Railway Accountants' Association is a small working library of books on accounting and related topics. Such a working library has been developed in connection with the system here described. The benefits have

been found to be twofold. Much time is saved in the office by having authoritative books conveniently at hand for determining points which come up in the course of the daily work. Moreover, the library distinctly promotes the general efficiency of the department employees, who are encouraged to familiarize themselves with the books by means of a loan system.

As the activities of the accounting department cover a wide range of matters, it has been found useful to include in addition to books treating specifically of accounting, other works of a practical nature dealing with various related aspects of business.

Among the books which have been found useful in a working library are the following:

Accounting Practice and Procedure	Dickinson
Accounting Theory and Practice	Kester
Accounts, Their Construction and Interpretation	Cole
Administration of Industrial Enterprises	Jones
Advertising, Its Principles and Practice	Tipper, Hotchkiss, etc.
Applied Theory of Accounts	Esquerré
Auditing, Theory and Practice	Montgomery
Bookkeeping and Accountancy	Rowe
Business Finance	Lough
Commercial Law	Spencer
Corporate Organization and Management	Conyngton
Corporation Accounting	Bennett
Cost Accounting	Nicholson
Credit, Its Principles and Practice	Blanton
Effective Business Letters	Gardner
Electric Light Accounts	Edwards
Electric Railway Auditing and Accounting	Force
Elements of Accounting	Klein
Elements of Business Arithmetic	Bigelow
Factory Organization and Administration	Diemer
Getting the Most Out of Business	Lewis
Graphic Methods for Presenting Facts	Brinton

Indexing and Filing	Hudders
Journal of Accountancy (The)	Ronald Press Co.
Modern Accounting	Hatfield
Net Worth and the Balance Sheet	Stockwell
Philosophy of Accounts (The)	Sprague
Principles of Depreciation	Saliers
Principles of Scientific Management	Taylor
Principles of Scientific Management	Thompson
Proper Distribution of Expense Burden (The)	Church
Railroad Accounting	Hooper
Railroad Finance	Cleveland
Railway Transportation	Blake and Jackson
Science of Accounts (The)	Bentley
Style Book of Business English	Hammond
Unified Accounting Methods for Industrials	Woods



## CHAPTER XXIII

### THE STATISTICIAN'S WORK

#### **New and Important Work**

The material already considered in the preparation of the statements is further analyzed and studied when it reaches the office of the statistician. The systematic studying of costs and of methods of operation is a new but most important development in large street railway systems, as in all modern businesses.

Street railway officials throughout the country have found that the cost of labor, material, and everything pertaining to street railway transportation has increased, while the fares have remained the same. Therefore it is necessary under present operating conditions to have minutely accurate information, showing unit costs of power production, maintenance of track and roadway, maintenance of buildings, up-keep of rolling stock, etc. This does not mean merely the figures which are ordinarily prepared in accounting departments, but further unit costs, which will enable the officers of the road to know the relative efficiency of various types of equipment. Moreover, a great many times it is necessary to know the cost of operating one particular line or even a single car on a line. Competition has developed also in the form of automobile transportation, and this has added to the necessity of compiling more minute statistics.

In addition to the statistics required by the officers of the company, the public service commissions of the national government and of the various states have in some instances

extended their requirements, and this has put a further burden upon the accounting department.

These and other reasons have led to the establishment of a statistical office, usually and properly attached to the accounting department. In progressive companies the statistician, or cost accountant, as the person in charge is often called, is usually at the head of a large and steadily increasing staff.

The statistician is charged with preparing information to show the various unit costs referred to above.

### **Conservative Methods of Presenting Statistics**

It may be noted here that in the presentation of statistics there are two distinct methods, both widely used. The first method adheres to a plain display of facts, classified under proper headings in condensed form, with such continuity or sequence in time or incident as to show clearly all results, the source and genuineness of which are not subject to doubt or surmise. A second method is frequently adopted by speculative statisticians, who use as a basis the accounts of a fiscal period and by a process of extreme analysis endeavor to build a statistical fabric with the object of proving or disproving certain theories.

A plain relation and classified presentation of principal facts as portrayed in the first-mentioned plan, is decidedly preferable, inasmuch as the plain truth thereof is sufficient for the mind of any average man to grasp and adequate for the purposes of comparison and judgment. The second method, while based upon a foundation of fact, is apt to be so colored and accentuated and so burdened with unnecessary detail and abstruse analysis, as to tend to mislead the open-minded person, who is seeking facts only, and to induce him to accept what may be erroneous or biased conclusions. The first method should be followed in the statistical office of every street railway company.

**Extension of Statistician's Work**

After the statistician's office is established, many and varied uses in connection with the different phases of the company's activities soon suggest themselves. Among the investigations which have been recently made for one office that has come under observation are the following:

Statements explaining high points in operating expenses of certain power stations.

Statement of power used on one division in connection with a foreign company which operates over a portion of the lines of the home company.

Statement of earnings and expenses per car mile for various railway companies in four adjacent states with a view to determine the average operating costs per car mile.

To describe the work of this office in detail would require much more space than is here available; but an outline of a few of its most important duties will suggest the possibilities.

**Shop and Costs Records**

There is the matter of shop records and costs, which can be carried into all branches of shop work and into various kinds of costs and unit costs. One of the most useful phases of this inquiry is a wheel record, which comprises the following reports:

1. A report of pressing on and off wheels is made each day by the foreman of the wheel shop on Form 145 to the master mechanic of each division. The report gives all the data in connection with the pressing of wheels on axles or their pressing off from axles.

2. From these daily reports a card record is kept in the master mechanic's office on each division on Form 146.



3. On another set of cards an axle record is kept on Form 147.

4. Another report is made of wheels and axles put under or removed from cars on Form 148.

5. Finally, a monthly report based on all these records is made by the master mechanic to the statistician in the comptroller's office on Form 149.

AXLE RECORD						
THE WESSEX COMPANY					DIVISION	
AXLE NO. _____						
Purchased From			Made by		Turned at	
Order No.		Reqn No.		Heat by		Shop
Specification No.			Plan No.		Date	
Stock						
DATE INSTALLED	CAR NO.	FITTED TO WHEELS			DATE REMOVED	CAUSE
		SIZE	NUMBERS			
Remarks _____						

Form 147. Axle Record. Size, 8 × 5.

### Utility of Shop and Cost Records

When all of the above-mentioned reports and records have been written up, it is evident that full information is available as to records of wheels and axles. These records are kept on file in the master mechanic's office. If they are in good order, the master mechanic is in a position to advise the general office when wheels or axles are put on or taken off cars, incorporating the information in a monthly report to the statistician's office.

**Form 148. Report of Wheels and Axles. Size, 8½ × 5½.**

**Form 149. Monthly Report—Wheels and Axles. Size,  $8\frac{1}{4} \times 12\frac{1}{2}$ .**

When the statistician receives this monthly report he refers to the car number and the dates on which the wheels were applied and removed, and from the individual car mileage records described below he can determine the exact number of miles made by that car during a given period and thus the exact number of wheel-and-axle miles.

When the car mileage has been added to the wheel report, a summary is made up for the chief engineer. This record in the chief engineer's office constitutes a very important factor in buying car wheels and axles, as from it one is able to determine whether steel or cast iron wheels are better for a particular division. This point has always been a matter of vigorous contention among master mechanics.

After the above records are installed it would be well to have a clerk from the accounting department look in periodically on the various master mechanics. If the latter fail to have the reports properly recorded on the cards, or if they fail to keep cards in proper order, this record will, of course, mean but little. The importance of the records should be impressed on all master mechanics.

Cost records of a similar sort might be installed for gears, armatures, etc., to determine whether or not the kind in use is the best for a certain division.

### **Car Mileage**

Practice varies a great deal among the different street railways of the country in regard to car mileage. Some roads have on file the amount of mileage that the cars would make throughout the day if they were all run on their regular schedule. They add to this figure the extra car mileage, and deduct the mileage of the cars not run or interrupted for any reason during their trip, and thus arrive at a figure for the day. The same method is followed for other days in the month, after which the mileage for all the days in the month

By means of this individual car mileage the statistician is enabled to make almost any kind of study. Ordinarily this mileage is dealt with by mileage clerks in the general office, but in the system described in this volume it is handled by the statistician.

The conductors report on their day cards, as explained in Chapter III, the mileage for every run, using mileage maps furnished by the engineering department. From these day cards the individual car mileage is figured in the office of the division cashiers, and a daily report is prepared on Form 150, "Record of Individual Car Mileage." This report, which is

[illegible]

retained in the division office, indicates the car number and mileage for all cars operated on the division reported, including passenger cars, express, freight, work cars, and snow



From Form 150 the cashier makes out each day Form 151, which he sends at once to the statistician's office. These reports are there assigned to certain clerks who post the mileage upon cards provided for such record. Two cards are prepared, as illustrated in Form 152, one white for the passenger equipment and one salmon-colored for express, freight, and work cars. Thus it is easy to keep the cards in order and to keep the miscellaneous equipment separate from the regular passenger equipment.

The mileage clerks prepare statements each month as they are called for, showing the miles run by the various cars for different periods. In this way the number of miles run by car

[illegible]

**Form 151. Daily Individual Car Mileage Report. Size, 8½ × 11.**

**Form 152. Mileage Record for Car. Size, 9½ × 11½.**

## Car Hours

The hours run on each line each day may be obtained from the regular schedules made up in the offices of the division managers, which are modified of course from day to day. The hours for extra or "tripper" cars, as they are sometimes called, may be obtained from the extra schedule similarly prepared. The figures may be gathered from three reports which are turned in daily: Report of Extra Cars Run (Form 70); Miscellaneous Time Allowed (Form 71); and Changes of Running Time on Regular Runs (Form 153). Forms 70 and 71 have been already shown (pages 164 and 165).

**Form 153. Report of Changes in Running Time. Size, 8½ × 14.**

## Inspection Reports

The car mileage records just described make it possible also to keep accurate records of car inspections. A separate card is provided for each car assigned to the various divisions, and the mileage is regularly posted thereon so that a running total is kept. When a car has covered a certain number of miles, it is reported for inspection by the clerks in the statistician's office who have this matter in charge. The frequency of

inspection will vary, of course, according to the type of equipment on the car; for some perhaps 800 miles, for others 1,000, and others 1,500 miles.

Where the car mileage is watched, as indicated above, it is possible to estimate the proper inspection time very accurately. For instance, a car on a 1,500 car-mile basis appears to have run 1,150 car-miles, according to the mileage card, and has three days to run before inspection, and it appears from the cards that this car averages 130 miles per day. It is accordingly decided to report this car at the regular time for inspection, for if it maintains the average of 130 miles a day it will exceed the 1,500 miles allotted to that type of equipment, and even if it falls short it will presumably run over 1,400 miles.

This method has been found to work out extremely well, especially where cars are run on the same route from day to day. In the spring and fall, when both open and closed cars are being operated, according to the weather, a car will run "over" or "short," not because of any fault in its equipment, but on account of the weather. The clerks working on this mileage from day to day, however, find that after a little experience they can judge the approximate number of miles the cars make and thus keep the inspections very close to the number of miles allotted to the various types of equipment.

Forms for these car inspection reports are prepared for each division each day by the car mileage clerks in the statistician's office on Form 154, and are signed and sent out daily by the statistician.

Where two or more inspection car houses are located on a division, the inspection reports are sent direct to each inspection house on that division. For certain divisions where cars are inspected on Sunday, two reports are prepared on Friday of each week and the reports forwarded to the local division in due time so that the Sunday inspections can be made.

When the various cars have been reported for inspection,

**Form 154. Record of Cars for Inspection (in quadruplicate).**  
Size, 8½ × 11.

a red ink check is placed on the card beside the date on which the car has been reported. When the full mileage has been received right up to the day of inspection, the total is inked in red so that the number of miles reported for the inspection shows up clearly on each card. Then the mileage is started over again for the next inspection, and added from day to day until the cars are reported for further inspection, and so on. If the mileage is required for some period other than the inspection period, it is a simple matter to add the various totals for the inspections together as may be required.

## Graphic Statistics for Officers

Within comparatively recent years executive officers of street railway companies have found that graphs and charts

save a great deal of time when they are made up carefully and accurately. The accounting department is continually collecting and distributing data to the various officers. After a few years these data accumulate in such quantities that it is necessary to summarize and condense them into small space, and many executives find the graphic method quite valuable. The principal advantage is that when information is presented in chart form the other party can readily comprehend its significance, and is more likely to draw correct conclusions than if the same information were given in a mass of figures.

It is true that a great number of persons still prefer a statement made up of figures. It would seem, however, that the progress of the age is along all lines that will save time and money. Newspapers, magazines, and even political campaign committees have all realized the benefit of presenting facts by chart, map, or graph of some kind; some public schools, indeed, are now drilling pupils in the use of the simpler forms of charts. It appears more than likely that the future will multiply and perhaps standardize these methods.

As graphs and charts can be made up in hundreds of different ways, each official may decide which way best suits his particular need. The method most used by railway men at the present time, however, is that of plotting curves to show the trend of earnings, expenses, etc.

## CHAPTER XXIV

### AUDITS

#### **Checking of Processes**

Accurate and searching accounting is so important in the conduct of a street railway company that it is not sufficient to rest content even with such a careful system of checks and reports as that outlined in the preceding pages. Provision is accordingly made in all well-managed companies for frequent examination of the accounting machinery itself to be sure that it is in good running order; that is to say, for a system of audits.

Audits should be made of the various division offices, of the other departments of the company and of the comptroller's office as well.

#### **Work of the Traveling Auditors**

A most important part of the comptroller's staff is therefore the group of expert traveling auditors who are on the road most of the time, visiting the division offices, the express stations, and other outside offices.

These examinations of outside offices must be systematic and thorough, frequent, and at unexpected times, somewhat like the visits of a bank examiner. The traveling auditors may visit one office or several offices on a trip, spending anywhere from three days to two weeks at a place. They may visit one division several times a year, but will make a complete audit of a division only once or twice a year. When away from the comptroller's office for more than three days at a time, they are required to send in reports of progress.

When visiting the railway divisions the traveling auditors, before leaving the comptroller's office, should draft a special balance sheet and prepare such portions of the schedules of charges and credits as are obtainable from the comptroller's records, to be completed at the division office. As soon as these summaries are made out they should be incorporated in this special balance sheet of the cashier's accounts.

The working program of a traveling auditor in a division office may be outlined somewhat as follows:

1. *Working Funds*

- (a) Verify cash and receipts for disbursements on hand.
- (b) Prepare schedule of same.

2. *Inventory and Sales of Tickets, etc., to be reported*

- (a) Verify and prepare schedule of cash on hand for receipts enumerated for tickets, parcel labels, chartered car orders, conductors' and motormen's deposits, etc.
- (b) Prepare exhibit of ticket inventory and records of sales of tickets to be reported.
- (c) Verify inventory with actual tickets, etc., on hand.
- (d) Look out for reduced rate tickets, that is, the substituting of these tickets for cash.

3. *Balance Sheet*

- (a) Prepare it.
- (b) The amount due the company should be certified by the division cashier as being correct.

4. *Cash Book*

- (a) Ascertain that the amounts due the last of the month according to the monthly balance sheets were bona fide items and were entered promptly during the following month.
- (b) Verify receipts as given in the cash book with the original records on Form 16 (page 39), ticket sales, employees' deposit, and chartered car order books.



It should be ascertained that the receipts are entered on the day received. If there is no daily ticket sale book in use, the accountant should ascertain from the weekly ticket report that the ticket sales as reported are entered on the cash book that week.

(c) Verify deposits with the bank book.

(d) Ascertain that the daily balance does not represent any part of the passenger receipts and that the receipts from other sources are deposited promptly the following day.

#### 5. *Passenger Receipts*

(a) Test with day cards, routes, cash fares, free passes, and transfers.

(b) Scrutinize closely any changes in the total on the day cards, of free passes and tickets on account of reduced rate tickets. If the cash fare has been reduced on the day card on account of such changes, then ascertain that this amount of "over," after verifying with the cash slip, appears on the "over" list of that day.

(c) Verify day cards with regular schedules and barn reports of extras, etc.

(d) Test final daily reading on register reports with day cards.

(e) Test actual readings.

#### 6. *Ticket Reports*

(a) Verify with employees' deposit stubs.

(b) Verify with chartered car order book.

#### 7. *Unclaimed Wage List*

(a) Verify with local office records.

(b) Ascertain if any should be cancelled and the reason.

It sometimes happens that unclaimed wages represent time credited on the pay-roll in error. When there are such items, the accountant should examine the time slips, if any, and ascer-

tain why, if the employee had not worked, these slips were passed by the foreman.

8. *Employees' Deposits*

(a) Ascertain whether or not every employee affected has made the required deposit.

9. *Statistical Reports*

(a) Car Mileage and Hour Reports:

Verify total per monthly report with daily summary book.

Test footings of summary book.

Test daily figures per summary book as follows:

Class A—With regular schedules, barn reports, and day cards of extras

Class B—With chartered car orders

Class C—With express car reports

Class D-E—With freight car reports

Class F-G—With work car reports

(b) Report of Earnings by Routes:

Verify with summary book

Test footings of summary book

Verify routing from day cards into summary book

(c) Miscellaneous

Special mileage reports and other computations used in settlements with other companies on trackage rights, etc.

10. *Pay-Rolls*

(a) Verify with time sheets.

(b) Verify conductors' time sheets with schedule of runs, and barn reports of extras and miscellaneous time.

(c) Verify express motormen's time sheets with express car reports.

(d) Reconcile total time allotted conductors and motormen per pay-roll daily, with the total time as per regular schedule, barn reports of extras and miscellaneous time, changes in running time, and express report.

(e) Verify bonded list and comment on insufficient protection.

(f) Witness one week's payment.

(g) Verify distribution.

(h) Ascertain that all time slips are approved.

#### 11. *Storeroom*

(a) Verify totals of each account with summary book or sheets of issues.

(b) Verify footings of summary book or sheets.

(c) Verify requisitions with summary book or sheets.

(d) Verify classification as to proper account.

(e) Test prices on requisitions with stock card and extensions.

(f) Test quantities on hand.

#### 12. *Claim Agents' Accounts*

(a) Verify and prepare schedule of working fund.

(b) Obtain certificate of bank balance and reconcile with balance as per check book.

(c) Prepare list of checks drawn in settlement of claims and verify with vouchers released at comptroller's office since previous audit.

(d) Ascertain what checks are drawn in settlement of claims only.

#### 13. *Electric Light, Gas, or Water Accounts, etc.*

(a) Investigate the cashier's procedure in paying bills and taking discounts.

#### 14. *Special Ticket Agents*

Ascertain that the same individual or company is conducting the business with whom contract was made in the first instance and that there is no question about their reliability.

#### List of Inquiries

The following list of questions must be filled in completely unless otherwise directed, and should be attached to the report which the traveling auditor turns in to the comptroller.

..... COMPANY  
 ..... Division ..... Office  
 Date .....

1. Name of division cashier
2. Residence
3. When was he appointed division cashier?
4. Was he previously employed by this company, and if so in what capacity and how long?
5. Have there ever been shortages of any kind in his accounts?  
 (Give brief details of such shortages, if any, stating the date of audit and amount of shortage.)
6. Did he ever serve as division cashier in any other office?
7. How many safes are there and what is their condition? (Describe each briefly.)
8. Is the conductors' safe of our standard type and has it a bell attachment?
9. How are the safes protected at night?
10. Where are safes located? Are they so placed as to be visible from the street?
11. Do conductors themselves deposit their money in the safe?
12. Is the money turned in in bags or in envelopes?
13. Who besides the division cashier has the combination of the safe?
14. When were combinations last changed?  
 Were the combinations changed on all safes when the last employee having the combination left the service?
15. Is all money kept in safes overnight?

16. Is there a copying press?
17. What clerical help does the division cashier have?
- 17a. Are the daily reports made promptly?
- 17b. At what time sent out?
18. Does the division cashier keep his cash book according to requirements?
19. Is the cash book balanced daily?
20. Is the over and short list properly made out and properly collected?  
How are collections of the short lists made?
21. Is the stub record of employees' deposits kept properly?
22. Has every man a deposit? Have instalments been promptly collected according to instructions?
23. Should any of the wages appearing as outstanding at the audit be cancelled?
24. Is a record kept of the numbers of all tickets received?
25. What checking is done on transfers collected?
26. Is the cash book for the working fund properly kept?
27. Did you accompany the paymaster when paying off? If so, was every name accounted for? What pay-roll was checked?
28. Does the comptroller's copy of the daily register report come direct? State exactly how the report is handled from the time the barn-man completes it.
29. Did the stubs of the employees' deposit receipts check properly with Form 28 since last audit?
30. Did the copy of chartered car orders in books on hand check properly with Form 28?
31. Did all the time slips that were checked agree with the pay-rolls? What pay-rolls were used?
32. Were all time slips properly approved?
33. Is the time of conductors and motormen proved against the schedule time each day?
34. Are all time slips carefully filed and also working papers used in working up classification of charges?
35. What pay-roll classification did you check against the time slips? What did this check disclose?
36. Are all instructions regarding pupils' tickets being properly followed out?
37. Are all records carefully and neatly filed, labelled, and preserved for the prescribed time? Where are records stored?

38. How are transfers destroyed and how often?
39. By checking the list of employees who should be bonded against the office record of bonded employees, did you find any persons who were not bonded or were not bonded for a sufficient amount? If so, give details.
40. Does the division cashier keep a list of bonded employees and understand that we are to be notified of all changes in bonded employees?
41. Are all funds adequately protected so there is no chance of theft by outsiders, excepting, of course, by violent methods? In other words, could you, assuming the viewpoint of an outsider, be able to abstract funds under existing conditions without being immediately detected?
42. Do timekeepers, or those whose duty it is to approve time, under any circumstance pay off or call for the wages of employees whose time they are supposed to keep or approve?
43. Is the pay-roll money drawn out on pay-day?
44. Does the division cashier know our policy in regard to cashing checks?
45. Is the working fund adequate or is it excessive?
46. Are all tickets kept in the safe or vault?
47. Is the stock of tickets and express labels and stationery kept down to the minimum and in good condition? Is it apparent that any of the stationery is wasted?
48. Are express labels properly handled? Is the supply in the hands of conductors periodically checked? When was last check made?
49. Are letters filed carefully and instructions pasted in a scrap book?
50. Are all changes in conductors' day cards made in colored pencil or ink?
51. Are all the forms in use uniform with all other places? Is the day card standard?
52. Is there a 'phone in the division cashier's office? If so, what business is transacted by it?
53. Is the division cashier following any duties that are functions of the operating department; that is, issuing transfers and handling employees' outfits, etc.?
54. Is additional help furnished the division cashier during the summer season? If so, state number added, wages paid, time engaged for, etc.

55. Are the records kept systematically and neatly and is the office neat and orderly?
56. What report of stores issues did you check against the issue slips?
57. What did the check disclose? Were the issue slips properly approved and made out in full and were the accounts, as far as you could ascertain, properly charged?
58. Was any material, especially valuable material, lying around unprotected? If so, give full facts.
59. Is the accounting system followed in the storeroom uniform with that of other places?
60. What reports of passenger receipts did you examine? What was the result of the examination?
61. Are the figures for the earnings by routes correctly compiled?
62. Are the figures for the other monthly reports of mileage, etc., correctly compiled?
63. Have we a record with this or other audit papers, a memorandum setting forth the method used in making up each of the monthly reports?
64. What monthly balances were checked to verify correctness of outstanding items shown?
65. What dates were checked as to prompt deposit of all receipts?
66. Are conductors' returns checked from safes in presence of member of trolleyman's organization?
67. What withdrawals from receipts for emergency requirements (i.e., for paying off men after snow-storm, etc., or advances to claim agents) were checked to determine that the funds were used for company purposes?
68. Is system for accounting of lunch vouchers being followed and did you assure yourself that all payments therefor were legitimate?

### Auditor's Report

No list of inquiries, however detailed, can represent completely the examination which the traveling auditors are expected to make. Particular points call for special attention from time to time at the different offices. At the same time, of course, the traveling auditors must be considerate and fair in the conduct of their inquiry. When the examination of any

office is completed, the traveling auditor makes out his report in full detail to the comptroller. The report is then carefully studied and recommendations, etc., which in the mind of the comptroller need attention are promptly acted upon.

During the course of the audit the traveling auditor should make out a progress report to the comptroller at the main office somewhat as follows:

TRAVELING AUDITOR'S REPORT OF PROGRESS  
RAILWAY DEPARTMENT

Office ..... Division ..... Date .....  
Mr. ...., Comptroller

The following work has been completed:

1. Working Fund.....
  2. Inventory of Sales of Tickets, etc.,  
to be reported.....
  3. Balance Sheet of.....
  4. Cash Books.....
  5. Passenger Receipts. No. Days.....
  6. Ticket Reports.....
  7. Unclaimed Wage List.....
  8. Employees' Deposits.....
  9. Statistical Reports.....
  10. Pay-rolls { Witnessed.....  
              { Checked.....
  11. Storeroom.....
  12. Claim Agent's Accounts.....
  13. Special Ticket Agents.....
  14. List of Inquiries.....
- Approximate date of completion of Audit..... 19....

REMARKS: .....  
.....  
.....

.....  
Traveling Auditor



**Instructions for Auditors**

The following additional instructions regarding the conduct and work of the traveling auditors should be carefully observed:

While the traveling auditor is in the home office the regular office hours should be observed. While in outside offices the regular hours should be observed as nearly as practicable. If the conditions make it necessary to work beyond the regular office hours, the auditors are required to comply with the demands; no extra compensation is allowed for such overtime.

When leaving the general office the traveling auditor should register in the usual way, either in a book kept for the purpose or upon a blackboard in the comptroller's office so that the comptroller may know at all times where his men are. If the work on the outside extends beyond three days he should send in a report of progress, in an envelope marked "Personal." He should also send to the comptroller twice a week a memorandum informing him of the approximate date for the completion of his work and for his return to the home office.

The traveling auditor should prepare his report upon returning to the comptroller's office, incorporating the data which he has gathered in the form of notes before leaving the division offices. These reports should be prepared in good shape and presented as soon as possible. All working papers should be securely fastened.

While no fixed amount is allowed for traveling expenses it is expected that expenses other than carfare will not exceed a certain number of dollars per day. The probable time the audit will require should be considered, as hotels sometimes make better rates by the week than by the day.

The lowest first-class through rate from terminal to terminal is allowed for railroad fares, and parlor car seats are allowed for trips of one hundred miles or over. Telegrams,

telephone calls, and postage on firm's business are allowable expenditures.

Traveling auditors while on engagements should bear in mind that they are representing the company and should be tactful in answering questions, etc. At all times they should treat the business of the company as confidential. If there is more than one accountant on the work, they should consult freely, as it is never a reflection on the capacity of the accountant to consult with an assistant in regard to his work. Care should be given to personal appearance to uphold the credit of the general office.

### **Supervision of Inventories**

The traveling auditors have the duty also of supervising the yearly or semiannual inventories of the division store-rooms, chiefly in order to make sure that the work is being carried through with good judgment, concentrated effort, and careful organization.

The two main objects sought in the accounting department's supervision over the inventories are: the detection and elimination of all chances of fraud, whether to conceal dishonesty or to support inefficient methods; the correctness of the inventories in the matter of completeness, quantities, values, proper classification and distribution, and the application of the proper principles of accounting.

As a matter of precaution it might be well for the auditor to take charge of all the issue slips during the period of count and also the invoices for material received. He should see that all issue slips from the track service are being turned over daily.

### **Inventory Procedure**

The general procedure should be to check up the bin cards (see page 425) and then check these with the regular stock

cards (see page 203). From the latter the typewritten inventory is to be taken. Some small storerooms do not have bin cards, and in these places of course the stock cards should be made to agree with the amount of material on hand in the bins by writing on the stock cards the year, month, and day, the word "Inventory," and the quantity, unit price, and amount in dollars and cents. Bin cards should always be installed if practicable.

Care should be exercised to see that the person taking the inventory adds material received after the count begins and before the date of completion, and that material issued meanwhile is deducted.

All bins should be numbered, as well as all bin cards and all stock cards, each one bearing its own number, and a small index should be prepared. This, however, is a matter of the local storeroom instructions, which should govern points of detail procedure.

#### **Need for Caution and Accuracy**

If the auditors discover, while taking the inventory, that the bin cards are not being used properly, full particulars should be reported to the home office. The bin cards should start off with the inventory of last year and show date, quantity, and price.

Care should be taken to exclude any items which may be included in the fixed capital accounts of the company. This would include, for example, parts of cars which may be scattered in the shops but which belong to some particular car or cars; also material which may have been charged out to authorizations.

In checking up the inventory and before it is finally completed, special attention should be paid to changes in price on the stock cards, especially a change or increase over the previ-

ous inventory when no purchases have been made during the past year. If a general system of storeroom accounting is in effect on all divisions, nothing should be changed except through written instructions from the comptroller's office.

As stated in the instructions to stores keepers (page 227), reports of inventories must be in the comptroller's office not later than the stipulated date. If additional help is needed in order to make this possible, application should be made by the stores keeper direct to the comptroller.

### **Treasury Department Audits**

In a large company the treasury department should be entirely separated from the accounting department. One of them accordingly acts as a check upon the other. Inasmuch as the accounting department should handle no cash whatever, it is possible and useful that it should go over the accounts of the treasurer perhaps twice a year. The probable program of such an audit would be somewhat as follows:

1. Verification of deposits in the bank of the cash receipts as shown on the cash book for at least one month prior to the date of the audit.
2. Comparison of all checks as paid by the bank during the month just prior to the audit, with the entries on the cash books; and comparison of checks entered on the cash book during the month, which have not been paid by the bank, with the record, as per the check book stubs; or, if it happens that no check book is used, as is the case with one of the largest street railways where voucher drafts are used entirely, then verification with the similar record book which takes the place of the check book stubs.
3. Verification of cash book footings for the month.

4. Reconciliation of the cash book balances with the bank balance, as per certificates received from the bank.
5. Verification of payments by the bank as compared with cancellation on the treasurer's books of checks that appear as outstanding on the date of the audit but which did not appear as outstanding thirty days prior to the audit.
6. Verification of deposits to the bank with cash receipts as shown on the cash book from the date of the audit to at least ten days following the date as of which the audit is made.
7. Comparison of checks as paid by the bank during the month following the date of the audit with those outstanding, as of the date of the audit.

If the above program is followed, it will insure a very good check on the treasurer's office. There are, of course, certain preliminaries which should be taken care of before the audit is commenced, such as applying to the banks for their statements as of a certain date to be sent to the comptroller under personal cover and, of course, the counting of the cash on hand in the treasurer's office, as of the day of the audit, together with any securities or valuable papers which would naturally come under the jurisdiction of the treasurer's office.

#### **Inside Office Audits**

The formal auditing of the comptroller's office itself will be, according to usual custom, in the hands of an outside firm of accountants. When, however, the comptroller's office is large and the various functions divided among small groups of employees, it is possible to have certain portions of the work of the office audited by other members of the staff, particularly by traveling auditors. This matter will depend a great deal, of course, upon local conditions. Sometimes a supply of tickets, including revenue tickets, commutation tickets, free

[illegible]

**Form 155. Requisition for Tickets (in triplicate). Size, 8½ × 11.**

Periodically the traveling auditors can check up the clerks in charge to see that all tickets which have not been invoiced to various ticket agencies for sale are duly on hand. A sample of the ticket invoice used in forwarding tickets to the selling agencies is given on Form 156, which is made up in triplicate.

Form 156. (a) Ticket Invoice (original). Size, 8 × 10¾.

Form 156. (b) Ticket Invoice (duplicate). (Lower part of form, same as original.)

Form 156. (c) Ticket Invoice (triplicate). (Lower part of form, same as original.)

The requisition used by the outside office or ticket agent for a supply of tickets is made upon Form 157.

**Form 157. Outside Office Ticket Requisition. Size, 8½ × 11.**

A small ledger should be kept in the form of a running inventory as a record of the tickets on hand in the stock-room.



[illegible]

As already stated, the internal office checks depend a great deal upon conditions in the office. If there are other supplies, or if there should be any volume of money or securities, the proper internal check should, of course, be arranged for. Where there is a treasury department all moneys or securities should be under the supervision of the treasurer.

In the preceding pages very complete detail has been given for audits in the local offices and elsewhere. It should be stated, however—a fact which is undoubtedly apparent to those experienced in street railway accounting—that not all the secrets of checking and auditing have been explained. With any large company there will be others known to the head of the department and to the traveling auditing force, which for obvious reasons cannot well be set down.

## Part IV—Additional Forms

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### CHAPTER XXV

#### FORMS AND THEIR USE

##### **The Significance of Forms**

As already suggested in Chapter XVI, there are other phases of the operating work of a street railway company in which the accounting department is interested but which limitations of space forbid describing. In order to get some idea of the methods followed, the most important forms used in these operations by the Wessex Company are given herewith. The following suggestions may be of interest with regard to the value and the significance of these forms as well as of those presented throughout the book.

The object in using forms is the saving of time and labor. It is by means of them that the various activities of production, distribution, and the like are coordinated efficiently. Forms rank as the great facilitating agency in the general scheme of business organization, and hence their importance.

Where many persons have to report concerning similar matters, a more satisfactory statement is obtained from each one by the use of a printed blank than by means of memoranda, which take more time from each writer and which needlessly vary with each writer. But, besides saving time, forms when well devised contribute definitely to the efficiency of business procedure. They serve to select and to concentrate attention upon the essentials, the strategic points of the various processes of the business. It makes a great difference,

accordingly, both to the accounting and to the operation of a street railway company whether the forms which constitute so large a part of its machinery are closely designed and worked out. Careful study of the forms used by an organization tells much as to its methods and its efficiency.

### **Emphasis Here Placed on Arrangement of Material**

To draw up forms so as to obtain the best results with the least effort calls for great care. A successful form is rarely extemporized; it is almost always the result of long and careful experiment. Those given herewith should be of interest to all students of the industry, and to practical railroad men as well, as suggesting perhaps different methods of treatment for what are to them familiar matters.

In the representation of these forms the chief consideration has been that of arrangement. This is a point of especial interest to students of the business, on both the accounting and operating sides. While the material to be shown on railway forms is in some cases identical for all roads, in many other cases it differs widely according to local conditions. Methods of arrangement, however, and the handling of the particular requirements of a concrete situation, are of general interest and suggestiveness to persons working on other roads.

The sizes indicated in the captions are those of the actual forms represented; the width of the form is stated first and then the depth.

### **Two Varieties of Forms**

The forms shown in this book, as noted in Chapter I, fall into three classes: (1) reports by subordinate employees regarding their own work; (2) summaries of the preceding reports, and records of office work, by local supervising officials; and (3) authoritative digests of these and other matters, made by superior officials. Those of the second and

third classes are sharply different from those of the first class. In the case of the first class, the aim is to secure an accurate and impersonal record of a few items of fact. In the case of the third class—and to a less extent of the second class—the aim is to give a compact, visual presentation of the relations and tendencies of groups or masses of items.

The forms of the first class are intended to be filled out by comparatively inexpert workmen, and to present information on a few significant points for rapid checking by experts. In make-up they should be simple and brief, of convenient and economical size; they need not be printed on especially durable paper.

The forms of the second and third classes are intended to be made out by expert officials, and to be studied by persons who are on the whole unfamiliar with the facts presented. Forms of this sort should be made up on good paper, etc., to permit consultation and filing. Questions of the grouping of subject matter are most important in the case of the third class of forms, which should be as complete and compact as possible. At the same time they must be readily intelligible. In a good form, no matter how large or elaborate the subject presented, the main lines are clear and simple.

## CHAPTER XXVI

### ADDITIONAL FORMS RELATING TO PASSENGER AND EXPRESS SERVICE

In addition to the forms already shown, the following are of interest. Form 159 is an application for employment, with provision for photograph of applicant; and with it is used Form 160, order to photographer. After the applicant has been employed and during his instruction period Forms 161 and 162, "Duties of Conductors and Motormen," are used. A permanent card record is kept of all conductors and motormen on Form 163. For inspection of the work of the car crews, Forms 164 and 165 are used.

With a large company the telephone is much used. Form 166 covers the telephone calls in connection with car operation and Form 167 is a record of all toll calls. A daily dispatcher's report is illustrated in Form 168; this is a most important record and should be compiled with care.

191.

APPLICATION FOR POSITION OF  
(Must answer questions in ink, in own handwriting.)

Applicant's name in full.....  
Address (City, Street, and Number).....  
How long have you resided there?.....  
What is your present trade or occupation?.....  
Where were you born?..... When?  
Are you married, single or a widower?.....  
Do you use intoxicating liquors? ..... Is your hearing good?.....  
Is your eyesight good?..... Have you ever worn glasses?.....  
How many dependent on you for support?.....  
By whom were you last employed?.....  
Their address?.....  
How long were you in their employ?.....  
Why did you leave their employ?.....  
By whom employed during the last three years?.....

Name	Address	From	To	Occupation
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

How long have you been out of employment?.....  
Have you previously made application for position with this Company? .....

If so, when? .....

Have you ever been employed in any capacity on a street railway? .....

If so, when, where, in what capacity and with what Company? .....

Have you ever been employed in any capacity on a steam railroad? .....

If so, when, where, in what capacity and with what Company? .....

I refer for recommendation of my character to the following persons:

Name	Address.
.....	.....
.....	.....
.....	.....

Remarks: .....

I certify that all of the above statements are true.  
(Signed).....

To Be Filled in By Company only {	General appearance.....	Complexion.....
	Weight .....	Height.....
	Color of eyes .....	Color of hair.....
	Special Remarks .....	
	Record Taken by .....	

Form 159. (a) Application for Position (face). Size,  $8\frac{1}{2} \times 14$ .

# THE WESEX COMPANY

(For use of Company only)

## APPLICATION FOR EMPLOYMENT

As .....  
 At .....  
 Name .....  
 Address .....  
 Appointed .....  
 Badge No. ....

WHEREAS, the undersigned is desirous of making application to The Wessex Company for position as ..... and whereas said railroad corporation is desirous of keeping for its permanent use a photograph of all of its employees who shall hereafter be employed or of those who make application for employment; now, in consideration that The Wessex Company will furnish an application for employment, the undersigned hereby agrees to give such corporation two (2) photographs of himself, and such photographs are to become and remain absolutely the property of such corporation, whether the application for employment be granted or not. And the undersigned hereby further agrees that said Railroad Company may print for its use duplicates of said photograph.

FURTHERMORE, the undersigned hereby certifies that he has carefully read all the matter on both sides of this application blank, that he understands the same and that the answers given to all questions are true.

(Signed) ..... L. S.

Town .....

State .....

Date ..... 191..

Form 159. (b) Application for Position (reverse).

**THE WESSEX COMPANY**

.....Division

**ORDER TO PHOTOGRAPHER**

.....191..

To.....

.....

.....

Dear Sir:

Please take two photographs of the bearer.....

.....one full face and one profile, upon one  
 piece of paper and furnish us with two prints of each posi-  
 tion, the charge of twenty-five cents thereof to be collected  
 from the sitter in advance.

Yours truly,

.....

Form 160. Order to Photographer. Size,  $5\frac{1}{2} \times 8\frac{1}{2}$ .



<b>THE WESSEX COMPANY</b>								
DIVISION _____								
NAME			AGE Yrs		WEIGHT Lbs		HEIGHT Ft. In.	
Badge No. _____			Date Appointed _____					
Inspected by	Badge No.	Car No.	No. Days	No. Trips	Date	Route		
						Ridgewood		
						Wildwood		
						Waverley		
						Pleasantville		
Above student has been fully instructed in his duties and is now qualified to begin service.								
_____ Chief Conductor Approved:								
_____ Supt.    Date _____ 191 ____								

Forms 161 (a) and 162 (a). Conductor's or  
 Motorman's Instruction Card (face). Size,  
 4 × 8½. (The faces of these forms are identical  
 except for the signature.)

DUTIES OF CONDUCTOR	
Knowledge of Rules and Regulations	Transfer Rules and Transfer Points
Knowledge of General Orders	Making out Day Card
Collection and Registration of Fare	Time and Place to turn in Cash, Tickets and Day Card
Collection and Issuing Transfers	Location and Names of all Passing Points
Location of Fare Limits	
Making out and Depositing Time Slips	
Accident Reports and Defect Cards	

Form 161. (b) Conductor's Instruction Card (reverse). (Lower half of form identical with lower half of Form 162 (b).)

DUTIES OF MOTORMAN	
Knowledge of Rules and Regulations	Locations and names of all turn-outs, Sidings and Crossovers
Knowledge of General Orders	Running Time (Local and Inter-urban)
" " Operating Cars	Regular Passing Points
" " Working Parts of Cars	
" " Signals	
This is to certify that I have a thorough knowledge of the foregoing; that I have read and fully understand the rules and regulations of the Wessex Company, having a copy in my possession, and do hereby agree to abide by same.	
Signed..... No..... Date.....191.....	
Witness.....	
This certifies that I have examined Motorman..... as to his knowledge of the duties required by the Claim Dept., and report as follows:	
Signed..... Claim Agent..... Date.....191.....	

Form 162. (b) Motorman's Instruction Card (reverse).

THE WESSEX COMPANY		
Badge No.	Photograph No.	
Appointed	Resigned	Discharged

Form 163. Card List of Conductors and Motormen. Size,  
8 × 5.

THE WESSEX COMPANY	
Inspector .....	
..... Day, ..... 191..	
Line.....	
Car No.....	Badge No.....
Time on..... Time off.....	
From.....	
To .....	
Total Passengers.....	
Registered .....	
TRANSFERS Collected.....	
Not registered.....	
Free or Missed.....	
Describe Shortages and give Full inspection below	

Form 164. Inspector's Report. Size, 3½ × 6.

THE WESSEX COMPANY					
STARTER'S REPORT					DATE
Car No.	Cond. No.	Motor. No.	Time Due	Time Arrived	Remarks
SIGNED.....					

Form 165. Starter's Report. Size,  $4\frac{1}{2} \times 5\frac{1}{2}$ .

THE WESSEX COMPANY									
From 12:00 A. M. To 12:00 P. M. Daily Office Telephone Report for..day..191									
Time	M	Badge No.	Run No.	Car No.	Due	Called Up From	Trouble	Orders	Taken By

Form 166. Daily Telephone Report of Cars. Size,  $9 \times 11$ .

THE WESSEX COMPANY								
Date ..... 191..								
Daily Record of Telephone Toll Calls at.....								
Operator.....on duty from.....M. to.....M.								
Operator.....on duty from.....M. to.....M.								
Operator.....on duty from.....M. to.....M.								
Operator.....on duty from.....M. to.....M.								
Operator.....on duty from.....M. to.....M.								
Call		Called		Time			Personal or Company	Remarks
No.	Party	Party	Place	Rec'd	Con.	Disc.		

Form 167. Daily Record of Telephone Toll Calls. Size,  $8\frac{1}{2} \times 11$ .

[illegible]

Form 168. Daily Dispatcher's Report. Size, 19 X 12.

As with all transportation companies, the numerous articles left in the cars by passengers are turned in at the office. No particular record is necessary, but a tag (Form 169) is attached to each article.

In connection with the care for safety of operation, several forms are used. There is a general form for the examination of conductors (Form 170). Where this examination is to cover single track lines protected by automatic electric signals, Form 171 is used in addition. When it is to cover single track lines protected by hand-thrown signals, Form 172 is used in addition.

In connection with the line repair service there are two forms (176 and 177) which aid the division manager to keep a record of the movements and work of the repair crew.

<b>THE WESSEX COMPANY</b>	
<b>LOST ARTICLE TAG</b>	
<b>Badge No.</b>	.....
<b>Car No.</b>	.....
<b>Run No.</b>	.....
<b>Date</b>	.....
<b>Time</b>	.....
<b>Conductor</b>	.....
<b>Description of Article</b>	.....
<b>No.</b>	.....
<small>All articles found by employees on Company property or cars, to be immediately sent to the Manager's office.</small>	

Form 169. Lost Article Tag. Size,  $2\frac{1}{2} \times 4\frac{3}{4}$ .

---

**THE WESSEX COMPANY**
**EXAMINATION OF CONDUCTOR OR OTHER EM-  
 PLOYEE IN CHARGE OF REAR END OF CAR  
 ON RULES AFFECTING THE SAFETY  
 OF OPERATION**

Conductor No.....Name.....Division Date.....

**Bulletin Boards**

 How often are bulletin boards to be examined?.....  
 Are the orders or instructions appearing on these bulletin  
 boards, if in conflict with these rules, to be observed?  
 .....

**Telephone Orders**

 Who is to call up for telephone orders?.....  
 How are telephone orders to be received?.....  
 .....

 To whom are you to repeat order?.....  
 When is it not necessary for your motorman to repeat or-  
 der to the despatcher?.....

 When telephone other than that furnished by the company  
 is used for receiving orders and it is not convenient for  
 your motorman to accompany you to such telephone, how  
 is the order to be recorded?.....  
 Are you in such instances to read order back to the despatcher  
 before leaving the telephone?.....

**Cars on Single Track Lines**

 Whom does the word "crew" include as used in Rule No.  
 12, Cars on Single Track Lines?.....  
 .....

 Do you understand that you are held equally responsible  
 with your motorman for running switches?.....

 Would you, without orders from despatcher or starter,  
 leave a fixed meeting point where you are due to pass a  
 car, if that car had not arrived?.....  
 .....

 How are arrangements for passing or meeting on single  
 track lines to be made?.....  
 .....

 What is your motorman required to do upon meeting the  
 car you are scheduled to pass before running off turnout  
 or double track onto single track?.....  
 .....

 What are you required to do?.....  
 .....

 When your motorman desires to follow a car onto single  
 track and has notified you, whom must you notify?.....  
 .....

 How far may you agree to carry green flag or green light  
 for a car following?.....  
 .....  
 .....

**Conductor's Examination on General Rules—page 2**

If your car is the first car carrying green flag or green light what must you do upon leaving each piece of single track and meeting a car that is to run onto the single track you just left?.....

If your car is the first of two or more cars running together or your car is not followed by another car, and your motorman passed a car carrying green flag or green light, would you call his attention to same?.....

If you have been told by the conductor of a car running in the opposite direction that there are cars following, what must you do before running onto single track?.....

If your car is the first of two or more cars running together or your car is not followed by another car, and you have passed a car carrying green flag or green light what must you do before running onto single track?.....

If you are the conductor or other employee in charge of rear end of other than a regular passenger car and your motorman has not advised you that he has arranged with the motorman of the car ahead to carry flag for him, what must you do before running onto single track?.....

What course is to be taken in case of doubt and despatcher or starter cannot be reached for instructions? .....

**Red Tail Lamps**

Who is required to see that red tail lamp is on car?.....

Between what hours is the red tail lamp to be displayed?...

Who is required to see that red tail lamp is lighted and kept lighted? .....

**Precautionary Flags and Lights**

If red flag or red light is placed on track and party placing same does not take in such flag or light within five minutes after your arrival, what must you do?.....

**When Accidents Occur**

In case of accident involving personal injury or serious damage to property, also in case of blockades, to whom must you telephone for orders? .....

What are you required to do in case your car is derailed so that there is liability of a collision?.....

**Railroad Crossings**

How are cars to be flagged over steam railroad crossings? .....



**Conductor's Examination on General Rules—page 3**

If car is stalled on steam railroad crossing what must you do? .....

Where are red lanterns and red flags to be found at steam railroad crossings? .....

**Switches**

Should a switch to a side track be left open?.....

**Disabled Motorman**

If your motorman were disabled, describe how you would stop the car

(1) If you could reach the front platform?.....

(2) If you could not reach the front platform?....

**Draw-Bridges**

Is your motorman required to stop before passing over draw-span of a draw-bridge?.....

Are you required to see that draw-span is closed before giving your motorman bell to proceed?.....

**Freight and Work Trains**

Are cars hauling heavily loaded trailers allowed to precede passenger cars up grades?.....

**Miscellaneous**

What must you do when you discover

(a) Dangerous track or other conditions?.....

(b) Broken trolley wire?.....

Is trolley pole to be pulled down after dark at terminals while passengers are leaving car or before the trolley pole on the other end of car is placed on the wire?.....

.....No.....

Examined by Employee sign his name here

(Examiner sign his name and state his title)

Date of Examination.....

Form 170. Examination of Conductors on Safety Rules—  
General.

---

**THE WESSEX COMPANY**
**EXAMINATION OF CONDUCTOR OR OTHER EM-  
 PLOYEE IN CHARGE OF REAR END OF CAR  
 ON RULES AFFECTING THE SAFETY OF  
 OPERATION ON SINGLE TRACK LINES  
 PROTECTED BY AUTOMATIC  
 ELECTRIC SIGNALS**

- What is a Neutral signal?.....
- What is a Permissive signal?.....
- What is a Danger signal?.....
- .....
- If you arrive at a signal and it is at Neutral position, what must your motorman do before passing under overhead contactor?.....
- .....
- What must you do before signaling your motorman to proceed? .....
- .....
- When your car passes under overhead signal contactor, how must the signals change to permit you to proceed?.....
- .....
- If your car arrives at a signal which is at "Danger" what must you do? .....
- If you arrive at a signal that is at the Permissive position and the car ahead is carrying green flag or green light for you, may you proceed?.....
- .....
- If so what must your motorman do before proceeding?....
- .....
- What must you do?.....
- .....
- Upon passing under overhead signal contactor of signal which is at the permissive position, how must signal change to allow you to proceed?.....
- .....
- Are you required to observe the operation of signals upon passing under overhead signal contactor?.....
- Would you pass under an overhead signal contactor a second time without orders from despatcher or starter?.....
- .....
- When are you permitted to pull down trolley pole in passing under signal contactor?.....
- .....
- Do you understand that you are held equally responsible with your motorman for the correct operation of these signals? .....

**Conductor's Examination—Automatic Signals—page 2**

When your motorman desires to follow a car onto single track and has notified you, whom must you notify?.....

How far may you agree to carry green flag or green light for car following? .....

When you have been notified by the conductor or other employee in charge of the rear end of another car that such car intends to follow you onto single track, what must you do upon leaving each piece of single track and meeting a car that is to run onto the single track you just left? .....

If your car is the first of two or more cars running together or your car is not followed by another car and your motorman passed a car carrying green flag or green light, would you call his attention to same?.....

If you have been told by conductor or other employee in charge of the rear end of a car running in the opposite direction, that there are cars following, what must you do before running onto single track?.....

If your car is the first of two or more cars running together or your car is not followed by another car, and you pass a car carrying green flag or green light what must you do before running onto single track?.....

If you are the conductor or other employee in charge of the rear end of other than a regular passenger car and your motorman has not advised you that he has arranged with the motorman of the car ahead to carry flag for him, what must you do before running onto single track?.....

What course is to be taken in case of doubt and despatcher or starter cannot be reached for instructions?.....

.....No.....  
Employee sign his name here.

Examined by .....

(Examiner sign here and state title)

Date of Examination.....

---

**THE WESSEX COMPANY**
**EXAMINATION OF CONDUCTOR OR OTHER EM-  
 PLOYEE IN CHARGE OF REAR END OF CAR  
 ON RULES AFFECTING THE SAFETY OF  
 OPERATION ON SINGLE TRACK  
 LINES PROTECTED BY  
 HAND THROWN  
 SIGNALS**


---

- On turnouts of less than five hundred feet in length, where are both signal boxes located?.....
- As car arrives on turnout what section of single track does the box facing the motorman protect? .....
- Where are signal boxes located on turnouts of more than 500 feet in length?.....
- If signal light protecting block ahead is lighted what must your motorman do—
- 1st—If car ahead is not carrying a green flag or green light for you?.....
- 2nd—If the car ahead is carrying a green flag or green light for you?.....
- If you arrive at a signal box and the signal is not lighted or signal goes out while waiting at the box, are you to accompany your motorman to the signal box and observe his operation of the same?.....
- If so, what are you required to do before motorman inserts key in the signal box?.....
- Is the motorman to turn the key more than once?.....
- If signal does not operate properly the first time the key is turned what must you do?.....
- Whom does the word "crew" as used in these rules include? .....
- If you desire to follow another car onto single track protected by signals must you and your motorman ask the crew of car you desire to follow to carry green flag or green light for you?.....
- If you are the conductor or other employee in charge of the rear end of the first of two or more cars running together, what must you do upon leaving single track and meeting car which is to run onto the single track you have just left?.....

**Conductor's Examination—Hand Thrown Signals—page 2**

If you are the conductor or other employee in charge of the rear end of any one of two or more cars running together, are you required to see that the light protecting the single track which you desire to run onto is lighted?

.....

If your car is the first of two or more cars running together or your car is not followed by another car, what must your motorman do upon meeting the first car carrying green flag or green light? .....

.....

If you are told by the conductor or other employee in charge of the rear end of car running in the opposite direction that there are cars following what must you do before going onto single track?.....

.....

If your car is the first of two or more cars running together or your car is not followed by another car, and you pass a car carrying green flag or green light, what must you do before running onto single track?.....

.....

If a signal is found set against your car and the expected car does not appear promptly and orders cannot be obtained from despatcher or starter what are you to do?....

.....

If signals are out of order or do not light upon the first operation of the key, and no orders can be obtained from despatcher or starter, what are you to do?.....

Are crews permitted to exchange or hold signal lights at turnouts or terminals?.....

Do you understand that you are held equally responsible with your motorman for proper operation of these signals? .....

.....No.....  
 Examined by ..... Employee sign his name here

.....  
 (Examiner sign here and state his title)

Date of Examination .....



## CHAPTER XXVII

### ADDITIONAL FORMS RELATING TO MAINTENANCE AND EQUIPMENT

---

#### SHOP AND CAR HOUSE FORMS

Three forms relating to fire inspection are given here—Form 175, fire inspection report; Form 176, sprinkler report; and a tag (Form 177) for test of fire extinguishers.

The division manager, in connection with the chief engineer of power and equipment, has jurisdiction over the work of repairing cars, records of which are kept sometimes by the master mechanics and sometimes by the barn foremen on the forms shown below.

A descriptive record of each car is kept on Form 178. For the car inspections referred to in Chapter XXIII, Forms 179 and 180 are used.

Forms used by conductors and motormen and by barn inspectors in reporting trouble are 181 and 182. When a car is run into the barn for repairs, that fact and the subsequent return of the car to service is shown on Form 183. For defective armatures a tag (Form 184) is used. When the armature is ready for service another tag (Form 185) of different color, is attached. A permanent record of armature repairs is kept on Form 186. A daily report of cars removed from service on account of repairs is made out for the division manager by the master mechanic on Form 187. A monthly summary of these reports for each division is kept on Form 188.

THE WESSEX COMPANY		
INSPECTION REPORT		
General Fire Protection		
Building.....		191..
Location.....	Inspected by.....	(Title)
FIRE PAILS		
Number.....	In place.....	Full.....
STAND PIPES		
Water on stand pipes.....	Equipment for same in good condition.....	
CHEMICAL EXTINGUISHERS		
Note—These should be recharged at least once a year.		
Number in place.....	Date tested and charged.....	
FIRE DOORS		
Closed and fastened nights, Sundays and holidays and all times when not in use.....		
Will all fire doors close easily.....Will automatic doors close when weight is released.....		
Note any fire doors in need of repairs.....		
Automatic attachments in order.....		
SHUTTERS AND WIRED GLASS WINDOWS		
Closed and fastened nights, Sundays and holidays and all times when not in use.....		
Will all shutters or windows close easily.....Note any shutters or windows in need of repairs.....		
HYDRANT AND HYDRANT HOUSES		
Note—Each hydrant should be given a thorough test by flushing at least twice a year, spring and fall. One turn to open should be sufficient at other inspections.		
Hydrants open easily.....	Free from snow and ice and easily accessible.....	
Hose, Play Pipes, Spanners, Hydrants, Wrenches, Rubber Washers, Axes, Lanterns, Nozzle Holders		
In their proper place and ready for use.....Condition.....		
Note—Each hose house or stand pipe can be numbered and reported upon separately.		
ELEVATOR AND STAIR DOORS OR TRAPS		
In order and kept closed when not in use.....		
Note any exceptions.....Condition of latches or other hardware.....		
CLEANLINESS		
Oily waste well cared for.....	Basement clean.....	Yard kept free from combustible material.....
Belt enclosure clean.....	Clothes closets and water closets clean.....	
Shafting and bearings well cared for.....	Clean under benches.....Note any suggestions as to possible improvements in cleanliness.....	
Remarks and suggestions.		
Fire alarm Boxes.....		
Keys in proper place.....Signs giving location in proper place....		
Watchman's clock.....		
Stations in good order.....		



THE WESSEX COMPANY				
INSPECTION REPORT				
Sprinkler Systems				
Building.....	191..			
Location.....	Inspected by..... (Title)			
<b>VALVES (Inside Gates)</b>				
Note—All gate valves to be secured open with leather straps fastened with padlocks riveted or sealed and keys to be held by responsible parties. Each valve to be inspected by turning valve one turn to insure its being wide open and in good working order. Drip valves to be strapped closed in a similar manner.				
Note—Valves under approved supervisory system need not be secured.				
List of Valves	Location	Open Yes. No.	Strapped Yes. No.	
1.				
2.				
3.				
4. &c.				
<b>VALVES (Outside Post Indicator Gates and Valves in Pits)</b>				
Note—To be secured and inspected in the same way as inside valves.				
List of Valves	Location	Open Yes. No.	Strapped Yes. No.	
1.				
2.				
3.				
4. &c.				
Give numbers of any of the above valves found closed, part closed, not strapped, closed temporarily at any time since last inspection. Explanation.....				
Note—Drip valves to be tested weekly.				
<b>DRY SYSTEMS (Air Valves)</b>				
Note—Dry valves should be tested for water column and condition of spring at least every three months. Should be tripped at least once a year.				
Note—When system is first set, test for water column every few days.				
List of Valves	Location	Air Pressure		
1.				
2.				
3.				
4. &c.				
Dry valve closet in good order and properly heated.....				
Give number of any air system into which water has entered during week..... Explanation.....				
Are hand hole plugs in place.....				
Is flanged dummy in place.....				
<b>ALARM CONNECTIONS</b>				
Note—All controlling valves or cocks for alarm devices to be sealed or strapped open. Special instructions to be given regarding testing alarm valves.				
<b>VALVE CONTROLLING ALARM</b>				
List of Valves	Location	Open Yes. No.	Strapped Yes. No.	Tested In Order Yes. No. Yes. No.
1.				
2.				
3.				
4. &c.				
Give numbers of any alarm devices out of service.....				
Explanation.....				

**GRAVITY TANK**

Full..... Contents Frozen..... Tell-Tale in Order.....  
 Condition of tank, hoops and supports.....  
 Remedied..... When.....

**PRESSURE TANK**

Water Level..... Air Pressure.....

Note—Gauge glass cocks to be kept closed except while inspecting.

**STEAM PUMP**

Note—Pumps should be given a thorough test with rated number of hose streams at least twice a year, spring and fall. They should be started once a week, and water discharged through relief valve or otherwise to make certain pump is in order.

Valves in steam connection from boiler to pump wide open.....

Minimum steam pressure for pump during week.....

Started.....

Tested through.....hose streams. Condition.....

Supply of oil on hand.....

**AUTOMATIC REGULATORS**

Regulator controlling valves wide open..... water pressure

maintained.....Pump started and regulator operated at

.....pounds.

**ELECTRIC PUMP**

Note—Pumps should be given a thorough test with rated number of hose streams at least twice a year, spring and fall. They should be started once a week and water discharged through relief valve or otherwise to make certain pump is in order.

Any interruption of current supply.....Condition of contact points on all switches.....

Started.....Tested through.....hose streams.....

Condition.....

Automatic controller in order.....Water pressure

maintained.....

Supply of oil on hand.....

**ROTARY PUMP**

Note—Pumps should be given a thorough test with rated number of hose streams at least twice a year, spring and fall. They should be started once a week and water discharged through relief valve or otherwise to make certain pump is in order.

Started.....Tested through.....hose streams.....

Condition.....

Supply of oil on hand.....

**AUTOMATIC SPRINKLERS**

Steamer connection.....in place.....ready for service.

Any corroded, bent, whitewashed, gilded or painted, covered with dirt or grease, distribution of water from sprinklers obstructed .....

Is there a clear space of at least two feet below the ceiling or roof, free from storage or other obstruction. Note any exceptions.....

Any operated since last inspection.....Any additions needing sprinklers.....

Any extra heads.....



<b>THE WESSEX COMPANY</b>		
Line.....		Car No.....
<b>CAR BODY</b>	Number of parcel racks .....	Tread of wheel....
Type of Car.....	Number of seats...	Height of flange....
Builder .....	Seating capacity ...	Length of axle over all .....
When built .....	Make of seat.....	Diam. of Axle.....
Width over step....	Style of fenders....	<b>AIR BRAKES</b>
Width over eaves...	<b>TRUCKS</b>	Make .....
Total width .....	Type.....	Diam. of cylinder....
C to C Kingbolt....		

Form 178. (a) Card Record of Cars (face). Size, 8 × 5.

<b>MOTOR</b>	<b>ELECTRICAL EQUIPMENTS</b>	Style of heaters....
Make .....	System of control..	Weight of elect. equip. complete....
Type .....	Type of controllers..	<b>REGISTERS</b>
H. P. ....	Type of contactor...	Type of register...
Number per car....	Type of reverse switch .....	Type of register fixtures .....
No. of teeth on pinion .....		
No. of teeth on gear.....		
Arrangement on trucks .....	Diam. of trolley wheel .....	Cost of trucks.....
Scrapers.....	No. of lamps in car.	Cost of Misch. equip.
Total weight of motor complete with gear and gear case.....		Total cost .....
Remarks .....		
.....		
.....		

Form 178. (b) Card Record of Cars (reverse). Size, 8 × 5.

THE WESSEX COMPANY	
REPORT OF INSPECTION OF CAR	
Date of Report .....	Time.....
Date of Inspection .....	Time.....
Place of Inspection.....	
Number of Car.....	{ Open Closed
Single or double truck .....	
Hand or air Brake.....	
Condition of air brake.....	
Condition of hand brake.....	
Remarks: .....	
.....	
.....	
.....	
.....	

Form 179. Report of Car Inspection. Size,  $8\frac{1}{2} \times 14$ .

THE WESEX COMPANY			
CAR INSPECTION REPORT			
Car Body	Car Barn	Date 191	Car No.
Cleanliness .....	TRUCKS, JOURNALS AND BRAKE RIGGING		MOTOR
Bell and Cord .....	Brake Handle .....		Motor Axle Bearing .....
Register and Fittings .....	Brake Staff .....		Axle Collars .....
Hand Straps and Rod .....	Brake Dog .....		Armature Bearings .....
Curtains and Fixtures .....	Brake Chains .....		Armature Dust Guard .....
Glass .....	Brake Rods .....		Gear and Casing .....
Ventilators .....	Brake Levers .....		Pinions .....
Signs .....	Brake Pins .....		Motor Suspension .....
Seats and Cushions .....	Brake Heads .....		Motor Bolts .....
Floor .....	Brake Shoes .....		Motor Clearance .....
Doors, Car and Vest .....	Center Plates .....		Armature Field Loops .....
Sand Boxes .....	Side Bearings .....		Motor and Field Covers .....
Grab Handles .....	Wheels .....		Motor Covers .....
Steps and Hangers .....	Wheel Gauge .....		Hand Hole Covers .....
Guard Rails .....	Truck Frames .....		Motor Leads .....
Scrapers .....	Springs .....		Cables .....
Draw Bars and Cage .....	Truck Yokes .....		Resistance Grids .....
Dashers .....	Axles .....		Leads and Connections .....
Gongs .....	Journals .....		Brushes and Holders .....
Roof .....	Journal Bearings .....		Lightening Arrester .....
Remarks: .....	Journal Boxes .....		Choke Colls .....
	Remarks: .....		Remarks: .....
O .....	O .....		O .....
X .....	X .....		X .....

This form is to be filled out and signed by the inspector and repairer and forwarded to the office of the Master Mechanic by the Foreman in charge. "O" marked in column opposite any particular item signifies same has been inspected and found O.K. "X" marked in column opposite any particular item signifies same has been repaired and left O. K. ("O" Inspector.) ("X" Repairer.)

Form 180. Report of Car Inspection. Size, 14 x 8½. Two additional columns appear on the form.)

<b>THE WESSEX COMPANY</b> <b>DEFECT CARD</b>			
<b>Car No..... Run No..... Date.....191...</b>			
<b>Apparatus Indicated by X is defective</b>			
	<b>Trolley pole</b>		<b>Whistle</b>
	“ wheel		<b>Foot gong</b>
	“ harp		<b>Conductor</b>
	“ spring		<b>Bell cord</b>
	“ base		<b>Register</b>
	“ rope		“ rod
	“ catcher		“ cord
	<b>Controller</b>		<b>Car door glass</b>
	<b>Motor supports</b>		<b>Platform chain</b>
	<b>Gear</b>		<b>Running board</b>
	“ case		“ “ hook
	<b>Flat wheel</b>		<b>Draw bar</b>
	<b>Hot journal</b>		<b>Illuminated sign</b>
	<b>Journal box cover</b>		<b>Dirty car</b>
	<b>Dust collar</b>		<b>Car O. K.</b>
	<b>Multiple unit</b>		
<b>Remarks:</b>   <b>Reported..... A. M. P. M.</b> ..... <b>Conductor.</b> ..... <b>Motorman.</b> <b>Repaired.....191</b> ..... <b>Foreman</b>			

Form 181. Defect Card. Size, 3½ × 18.

<b>THE WESSEX COMPANY</b>	
Date.....191	Time Reported..... M.
FLAT WHEEL on Car No.....Run No.....	
Slight or Bad (state which).....	
Conductor .....	Badge No.....
Motorman .....	Badge No.....
Took Car at.....Time.....M	
From {	Starter .....
	Conductor .....Badge No.....
	Motorman .....Badge No.....

Form 182. Report of Flat Wheel. Size, 6 × 4½.

<b>THE WESSEX COMPANY</b>	
<b>CAR REPLACEMENT REPORT</b>	
Division.....	Date.....
Car No.....was taken off.....line	
at.....M., and replaced by Car No.....at	
.....M. Motorman No.....Trouble was reported by	
..... as .....	
.....	
.....	
Trouble found and repairs made as below:	
.....	
.....	
.....	
Repaired and reported to Car Barn Foreman as ready for service	
..... at .....M.	
.....Barn by.....	
Signed.....	
Foreman	

Form 183. Car Replacement Report. Size, 5½ × 8½.



## ADDITIONAL FORMS

<b>THE WESSEX COMPANY</b>	
Attach this Tag to Fields and Armatures returned to Winding Department.	
CAUTION. Do not allow wire on corners or ends of this armature to touch floor or tools.	
Forwarded from	
Date Removed	191
Removed from Car No.	
Removed from Motor No.	
Part	
Type	
Number	
Condition	
Received above part in condition stated.	
	Foreman
Remarks	

Form 184. Defective Armature Tag. Size, 3 × 6.

<b>THE WESSEX COMPANY</b>	
Attach this Tag to Fields and Armatures Delivered Ready for Service. From Winding Department.	
CAUTION. Do not allow wire on corners or ends of this armature to touch floor or tools.	
Armature No.	
Date Repairs Completed	191
Winding	Repaired by
Commutator	
Shaft Bearings & Pinion	
Placed in Car No.	
Date Installed	191
Installed by	Pitman
Remarks	
Approved	Foreman.

Form 185. Armature Tag. Size, 3 × 6.

[illegible]

**Form 186. Armature Repair Record. Size, 8 × 5.**

[illegible]

Form 187. Daily Report of Cars Removed from Service. Size,  
10½ × 8½.

## ADDITIONAL FORMS

THE WESSEX COMPANY									
SUMMARY OF CARS REMOVED FROM SERVICE, MONTH OF _____ 19__									
DIVISION _____						CARHOUSE _____			
Cause of Removal	Failure or Defect	Not a Defect	Cause of Removal	Failure or Defect	Not a Defect	Cause of Removal	Failure or Defect	Not a Defect	
<b>BODY AND MECH. EQUIP.</b>									
1 Damaged			23 Heaters or H. Switch			44 Shoe Defects			
2 Body Defective			24 Misc. Switches			45 Shoehead Defects			
3 Register			25 Lights Out			46 Brake Rods			
4 Broken Trolley or Reg. Cord			26 Power Wiring			47 Turnbuckles			
5 Gong			27 P.B. Signals			48 Slack Adjuster			
6 Sand Out			28 Light, Heat, Air, Wiring			49 Miscellaneous			
7 Sand Clogged			29 Miscellaneous			<b>BRAKES</b>			
8 S.B. Failure			<b>MOTORS</b>			50 Brakes Poor - Hand			
9 Catcher or Retriever			30 Hot Bearings			51 " " - Air			
10 Scrapers			31 Lead Wires			52 Comp. Moch. Trouble			
11 Broken Glass			32 Flashing			53 Comp. Arm. or Field			
<b>ELEC. EQUIP. BODY</b>									
15 Trolley Wheel or Fork			36 Pin or Gear			57 Engineer's Valve			
16 Trolley Pole or Stand			37 Gear Case			58 Pipe - Leak or Break			
17 Circuit Breaker			38 Broken Bolts			59 Miscellaneous			
18 Controller			39 Miscellaneous						
19 Resistance			<b>TRUCKS</b>						
20 M.U. Cont. or Reverse			40 Hot Bearing						
21 M.U. Miscellaneous			41 Frame Defects			7 No Trouble Found			
22 Headlight			42 Wheel Defects			- Repairs or Inspection			
			43 Axle Defects			X Misc. Trouble			
Note - X Includes Miscellaneous Removals not due to Mech. or Elec. Failures or Defects and not otherwise noted.									
Comparing Month of _____ 19__ with Month of _____ 19__ and with Month of _____ 19__									
			No.	% of A	No.	% of A	No.	% of A	
Total Car Mileage									
Total Cars Removed from Service A									
" " " " " " per 1000 Miles									
Total Defects									
" " " " " " per 1000 Miles B									
Total Net Defects									
Total No Trouble Found									
Total Repair or Inspection									
<b>CLASSIFICATION OF DEFECTS</b>									
			No.	% of B	No.	% of B	No.	% of B	
Body and Mechanical Equipment									
Electrical Equipment-Body									
Motors									
Trucks									
Brakes									

Form 188. Monthly Summary of Cars Removed from Service.  
Size,  $8\frac{1}{2} \times 10\frac{1}{2}$ .

## ENGINEERING FORMS—POWER AND EQUIPMENT

Some of the forms used in connection with the power stations have been given already in the chapters on "Pay-Rolls" and on "Other Departments." The following are also of interest. There is a daily "log" report from the station engineer on Form 189, and if there are sub-stations there will be a similar report or daily log sheet on Form 190. At the end of the month, summaries of these reports are sent in to the main office on Form 191 for the power stations and Form 192 for the substations.

It is very important to know that material purchased is up to the standard and fit for the use for which it was bought. A record for tests of material is kept on a test card (Form 193), which is made up in triplicate. The original remains in the file at all times; the duplicate and triplicate are forwarded first to the person who is to conduct the test; the duplicate is then returned to the chief engineer of power and equipment as soon as the test is started, and after the test is finished a triplicate is filled out with the information called for and also returned to the chief engineer of power and equipment.





THE WESEX COMPANY																																																																																									
POWER STATION Operating Report for Month of.....191...																																																																																									
<b>PERFORMANCE.</b> Note—Estimated figures marked thus # K.W.H. Total D. C. Generated " " " A. C. " " " Power " " Used in Station " " Net Output " " Max. D. C. Hour K.W. Date " " " " " A. C. " " " Total " " Max. observed Ampere Reading " " Pounds Fuel per Net K.W.H. " " " Water " " Pound Coal Labor Cost Oper. and Maint. " " Mills per Net K.W.H. M. & O. " " Station Load Factor [Monthly] " " Tons of Coal Discharged " " Cost of Discharging Coal " " per Ton				<b>SUPPLIES RECEIVED AND CONSUMED</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">On hand first of Month</th> <th style="width: 25%;">Coal</th> <th style="width: 12.5%;">Valve Oil</th> <th style="width: 12.5%;">Engine Oil</th> <th style="width: 12.5%;">Turbine Oil</th> </tr> <tr> <td>Received During Month</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>On hand End of Month</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>To be Accounted, for</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Sold or Transferred</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Used for Boilers—Mach'y</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Used as per Daily Log</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Discrepancy, plus or minus</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Gals. Oil per 1000 K.W.H.</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>				On hand first of Month	Coal	Valve Oil	Engine Oil	Turbine Oil	Received During Month					Total					On hand End of Month					To be Accounted, for					Sold or Transferred					Used for Boilers—Mach'y					Used as per Daily Log					Discrepancy, plus or minus					Gals. Oil per 1000 K.W.H.					<b>OTHER SUPPLIES</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">Water used for Boiler</th> <th style="width: 25%;">cu. ft.</th> <th style="width: 25%;">For Station use</th> <th style="width: 25%;">cu. ft.</th> </tr> <tr> <td>Boiler Compound</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Grease</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Gasoline</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Kerosene</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Waste—White</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Colored</td> <td></td> <td></td> <td></td> </tr> </table>				Water used for Boiler	cu. ft.	For Station use	cu. ft.	Boiler Compound				Grease				Gasoline				Kerosene				Waste—White				Colored			
On hand first of Month	Coal	Valve Oil	Engine Oil	Turbine Oil																																																																																					
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Waste—White																																																																																									
Colored																																																																																									
<b>DISTRIBUTION OF POWER K.W.H.</b> Station Output for this Division " " Power Used by " " " " " Power used for Railway " " Power received for Railway " " Total Rwy this Division " "				<b>INTEGRATING WATTMETER READINGS</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 10%;">Meter</th> <th style="width: 10%;">No. 1 A.C. or D.C.</th> <th style="width: 10%;">No. 2 A.C. or D.C.</th> <th style="width: 10%;">No. 3 A.C. or D.C.</th> <th style="width: 10%;">No. 4 A.C. or D.C.</th> <th style="width: 10%;">Etc.</th> </tr> <tr> <td>Present Reading</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>								Meter	No. 1 A.C. or D.C.	No. 2 A.C. or D.C.	No. 3 A.C. or D.C.	No. 4 A.C. or D.C.	Etc.	Present Reading																																																																							
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Present Reading																																																																																									
Correct,..... Approved.....				Chief Engineer.																																																																																					

Form 191. Monthly Report from Power Station. Size, 14 1/8 X 12 1/4.

THE WESSEX COMPANY									
.....SUBSTATION									
Operating Report for Month of..... 191.....									
Machine Meter Readings { Designate Inputs by O Outputs by + }									
Maximum Hour Loads									
Maximum Hour Load Input	.....K. W.	Date.....	Present Read'g	No.	No.	No.	No.	No.	No.
" " A. C. Lighting	"	"	Last Read'g						
" " A. C. Arcs	"	"	Difference						
" " A. C. Power	"	"	Constant						
" " Total A. C.	"	"	K.W. Hours						
" " Railway	"	"	Circuit Meter Readings						
" " Total D. C.	"	"	Present Read'g						
Total Maximum Hour Load on Station	"	"	Last Read'g						
Station Load Factor [Monthly]	"	"	Difference						
Max. Observed D. C. Ampere Swing	"	"	Constant						
Total Wages	"	"	K.W. Hours						
" per. Net K. W. H. Output	"	"							
Input and Output			INCOMING LINE						
(See Note)			AND STATION METERS						
			No.	No.	No.	No.	No.	No.	No.
			REMARKS						
Material Used									
D. C. Lights or Power			Oil			Gals.			
D. C. Power			Gasoline			"			
Railway Power [Total]			Kerosene			"			
Total D. C. Power			Waste-White			Lbs.			
Used In Station A. C.			" Colored			"			
Total Output			Rags			Yds.			
% of Input			Cheese Cloth						
A. C. Power Supplied to			Incandescent Lamps						
" Lighting									
" " Co.									
D. C. Power									
" " Co.									
R'y Power Supplied to									
" " Div.									
" " " "									
D. C. Power									
" For R'y this									
R'y " Rec'd from									
" " " "									
Total R'y this Div.									
NOTE—Estimated K.W.H. to be designated by #									
Correct.....									
Approved.....									
Chief Operator									

Form 192. Monthly Report from Power Substation. Size, 15 × 12.



THE WESSEX COMPANY		
Original		
Special Test No.....	Date Authorized.....	File No.....
Division	Car No.	Station
Article	Mfg.	
Date Started		
Location		
Car Miles	K. W. H.	
Test under Supervision of		
REMARKS:		

(Duplicate)
Chemical or Other Analysis
REMARKS:
NOTE: Under this heading describe fully any special conditions which may affect results of test.

(Triplicate)
REMARKS:
NOTE: Under this heading describe fully any changes or variations noted in test conditions of article under test during entire period of test.

Form 193. (a) Test Card (face). Size, 6 × 4. (Upper part of duplicate and triplicate includes the seven lines shown in original.)

Chemical or other Analysis		Original
Checked By	Approved By	
C. E. of P. & E.		
This Card must not be taken from File, but kept as permanent record containing complete data of test, checked by official recommending test and approved by C. Eng. of P. & E.		

REMARKS—Continued	(Duplicate)
This Card with its Triplicate, to be sent to person authorized to make the test, must be filled out when test is started and returned at once to office of C. Engr. of Power and Equipment.	
Test started as noted above.....	
Title.....	
Date.....	

REMARKS—Continued	(Triplicate)
This Card with its Duplicate, to be sent to person authorized to make the test, will be held by this person until test is complete, then filled out with data called for and returned at once to office of C. Engr. of Power and Equip.	
Test completed as noted.....	
Title.....	
Date.....	

## ENGINEERING FORMS—MAINTENANCE OF WAY

Of the numerous records kept by this office, some have been explained already in Chapter XV, "Additions and Betterments." A few others of interest are Form 194, daily report of rail and joint grinding; Form 195, daily report of work on track; Form 196, daily report of track laid; and Form 197, certificate of ties purchased.

<b>THE WESSEX COMPANY</b>	
<b>ROADWAY DEPT.</b>	
<b>Daily Report of Rail and Joint Grinding</b>	
Division.....	Date..... <b>DAY</b>
Street.....	Bound Track..... <b>RAIL</b>
From.....	To.....
Give exact location: House No: Trolley pole or other mark	
Lin. ft. of rail ground including joints.....	
No. joints ground.....	
No. bricks used up.....	No. of men.....
Machine No.....	Notes.....
.....	
.....	
..... <b>Foreman</b>	

Form 194. Daily Report of Rail and Joint Grinding. Size,  
8½ × 5½.



<b>THE WESSEX COMPANY</b>		No. ....
<b>PURCHASING DEPARTMENT</b>		File No. ....
<b>Certificate of Ties Accepted From</b>		
Full Name .....	of P. O. Address .....	
.....		
.....First Class at.....	} Delivered at	
.....Second " " .....		
.....Third " " .....		
		Division
Rejected.....		
Inspected.....191.. Tie Inspector		
		Received.....
		Entered.....
		CORRECT.
		Purchasing Agent

Form 197. Certificate of Ties Accepted. Size, 8½ × 3½.

## CHAPTER XXVIII

### ADDITIONAL FORMS RELATING TO STORES AND ACCIDENT CLAIMS

---

#### STORES FORMS

Some additional forms used in connection with the stores department may be mentioned here. After material has been ordered by the purchasing agent, if it should be necessary to send a letter to hurry the shipment, Form 198 is used. When shipments are received "short," Form 199 is used. Form 200 is used for requests to the stores keeper to replenish his stock. In transferring material from one place to another, Form 201 is used. In connection with the sale of old material as described on page 275, *et seq.*, Form 202 is used, and for the bin card referred to on page 369, Form 203 is used.

<b>THE WESSEX COMPANY</b> <b>OFFICE OF STORES KEEPER</b>			
Mr.....			.....191....
Please advise by return mail, using space provided below, when the following material will be shipped:			
Order No.	Requisition No.	Quantity	Description of Material
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
<b>REPLY</b>			<b>Stores Keeper.</b>
.....			
.....			
.....			

Form 198. Request to Rush Material. Size, 8½ × 11.

<b>THE WESSEX COMPANY</b> <b>DAILY SHORT LIST</b>						
..... Division				Date.....191..		
Description	Req.	Date	Order	Date	Hurried	Remarks.
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....

Form 199. Daily "Short" Report. Size, 8½ × 11.

THE WESSEX COMPANY

REQUEST TO STORES KEEPER TO GET MATERIAL IN HIS STOCK

To.....

Stores Keeper

Dated at.....191....

Please get the material described below into stock for the following work.....  
(Here state what the work is. If Appropriation work, the Title and Appro. No. must be given. If for extraordinary Repairs or Maintenance, this should be clearly shown).  
It is desired that material be on hand by.....The work is expected to extend over  
following length of time.....  
(Insert date)  
(Give estimate)

Please advise me: When material has all been received { Rule out one or other of these lines.  
When material is received as it arrives

Item No.	Quantity	DESCRIPTION (Describe fully. Show Plan Ref., Spec. Ref. or Cat. Ref).	STORES KEEPER'S RECORD	
			Date Ordered	Reqn. No. Reported Received
1				
2				
3				
4				
5				
<hr/>				
15				
16				

Note—This form is to be used as a request on the Stores Keeper to order material for construction and appropriation work, and for extraordinary maintenance or repair work, which the Stores Keeper could not be expected to have a knowledge of or to order on regular stock regulations without special request.  
(Signed).....



## ADDITIONAL FORMS

<b>THE WESSEX COMPANY</b>					
Date.....					
Number.....					
To the General Stores Keeper Please ship the following supplies to					
At.....					
.....					
Class of Material					
Put Only One Class of Material on One Sheet					
Quantity	Catalogue No or Size	Description	SHIPPED		Remarks
			Date	How	
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
..... General Stores Keeper			..... Stores Keeper		

Form 201. Request to General Stores Keeper to Ship Supplies.  
Size,  $8\frac{1}{2} \times 11$ .

<b>THE WESSEX COMPANY</b>				
.....191..				
..... General Stores Keeper				
Dear Sir:				
We have shipped on account of material sales order No.....				
on..... from .....				
(Insert Date of Shipment.) (Insert Point of Shipment.)				
Consigned to.....				
At..... the following cars, namely:				
(Insert Destination of Shipment.)				
Cars-Initial and No.	Gross	Tare	Net	Material
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
I enclose bill of lading, sworn certificate of weight, and bill for value of material amounting to \$.....				
Yours truly				
P.S.—This shipment completes the above order.				

Form 202. Division Stores Keeper's Report of Materials  
Shipped. Size,  $8 \times 10\frac{1}{2}$ .

**Form 203. Bin Card. Size,  $4\frac{3}{4} \times 8$ . (Ruled on both sides.)**

Besides the monthly summary of accidents already shown in Chapter XXI, there is a monthly report of claims, Form 210. Permanent records are kept on Forms 211 and 212.

**THE WESSEX COMPANY****ACCIDENT REPORT**

(This report must be filled out in ink)

**INSTRUCTIONS:** In case of accident, however slight, in connection with, or near your car, to persons or property, you will at once render all necessary assistance, and at once obtain the names and residences of the persons injured and of the **WITNESSES ON OR NEAR THE CAR.** (This duty is most important and should under no circumstances be neglected.) As soon as possible thereafter make a written report on this blank, entering in the proper place the facts called for. The conductor and motorman should fill out and sign separate reports. All witnesses' names should be added and the report delivered to the General Office of the Company as soon as possible.

Give no account of an accident to any person except to an official of the Company.

To.....Superintendent. Place.....

Conductor .....No.... Motorman.....No....

Run No.....Car No.....Time.....M. Date.....19...

Number of passengers on car at time.....

Was injured person passenger, employee, or traveler on highway? .....

Names and residences of persons injured, and kind of property injured (including injury to car, if any).....

General nature of accident and injury.....

Where or in whose charge was injured person or property left? .....

Place of accident. (State exactly).....

Direction car going.....Was gong sounded?.....

Direction person or team going.....

Were brakes, gong, fender and headlight in good order? .....

If not in good order, state what was defective and in what particular.....

Was fender dropped?.....

Speed of car before accident, whether fast, moderate or slow .....

Was injured person at fault?.....Why?.....

Headlight, Arc or Incandescent.....Lighted or Out.....

**WITNESSES. (On or near car)**

**Name, Residence, Street and Number**

.....

Signature .....

Occupation .....

No. ....

Form 204 (a). Accident Report by Car Crew (face). Size, 8 × 14.

<p><b>THE WESSEX COMPANY</b></p> <p><b>ACCIDENT REPORT</b></p>	No.....	Date.....191.....	Name.....

Form 204 (b). Accident Report by Car Crew (reverse). Size, 8 × 14.

<b>THE WESSEX COMPANY</b>	
..... Division	
<b>ACCIDENT REPORT</b>	
Date of Accident.....191.....	.....191..... Time
Place.....	City or town.....
Nature of accident.....	
Names and occupations of employees concerned:*	
.....	
Names of passengers, employees, and others injured or killed. (Designate employees by stating their occupation.)	
.....	
Damage to property.....	
Cause of accident and circumstances attending same.....	
.....	
..... Manager or Supt.	
*This is to cover names of crew in charge of car, of trackmen, linemen, power station men, or other employees of the Company, engaged in the operation.	

Form 205 Manager's Report of Accident. Size, 8 × 10.

**Form 206. Daily Accident Report. Size, 8½ × 11.**

**Form 207. Report of Accident by Witness. Size, 8½ × 14.**

**THE WESSEX COMPANY**

.....Division  
.....191.....

Dear.....:

Your name has been reported as one of several witnesses to an accident which happened about.....o'clock....M., on the.....day of.....19....., at or near.....Streets where a.....

Will you kindly fill out blank on reverse side of this sheet and return it in the enclosed envelope, in order that the most complete information may be obtained.

And greatly oblige,  
.....  
for The Wessex Company

Form 208. (a) Report of Accident by Witness (first page of folder). Size,  $8\frac{1}{2} \times 11$ .

Did you see the accident?.....  
Where did it occur?.....  
What day and at what hour did this accident occur?.....  
Where were you when it occurred?.....  
Was car standing or moving? If moving about how fast?.....  
In your opinion, who was to blame? Why?.....  
What warning was given before the accident?.....

Give full account of accident as witnessed by you?.....

.....

.....

Please give name (and address if possible) of any one else who witnessed the accident .....

.....

What is your full name and address?.....

Dated,.....  
.....  
.....

Form 208. (b) Report of Accident by Witness (second and third pages of folder).

## ADDITIONAL FORMS

**KINDLY WRITE YOUR NAME AND ADDRESS IN FULL  
AND RETURN TO CONDUCTOR OR MOTORMAN.**

.....  
(Name in Full)

.....  
(Street and Number)

.....  
(Name of Town)

(Over)

Form 209. (a) Request for Address of Witness of Accident  
(face). Size,  $3\frac{1}{2} \times 2$ .

Names are requested to assist in determining responsibility  
for this accident.

Information thus obtained aids us in our efforts to prevent  
similar mishaps in the future.

General Manager,  
THE WESSEX CO.

Form 209. (b) Request for Address of Witness of Accident  
(reverse).

**THE WESSEX COMPANY**

**Claim Report of.....for Month of.....191....**

Pending at 1st of Mo.			Made During Mo.			Disposed of				
	Num- ber	Remarks		Num- ber	Day	Remarks		Num- ber	Day	Method
1			1				1			
2			2				2			
3			3				3			
4			4				4			
5			5				5			
6			6				6			
7			7				7			
<hr/>										
31			31				31			
32			32				32			
33			33				33			
34			34				34			
35			35				35			
36			36				36			
37			37				37			

Form 210. Monthly Record of Claims. Size,  $8\frac{1}{2} \times 13$ . (Column  
continued on reverse side of form.)

## ACCIDENT CLAIMS

43I

[illegible]

Form 211. Claim Ledger. Size, 22 X 17.



**Form 212. (b) Card Record of Claims (reverse).**

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